NATION'S BUSINESS

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DANN ARBOR MICHIGAN

The Axis knows these Aircraft well ... do You?



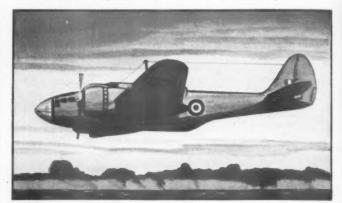
1 Mighty Middleweight, this lightning-fast, heavily-armed medium bomber is pounding the Japs from the Aleutians to the Solomons...blasting the Nazis in Europe. Recognize her stubby wings, torpedo-shaped fuselage, all-plastic nose? See answer at lower left.



2 Plenty of Punch is packed into this big 24-ton, twin-engined Navy flying boat. Easily recognized by its gull wings and up-tilted tail assembly, this patrol bomber has done excellent work in the Atlantic and elsewhere. Can you name her? See answer at lower left.



3 Fast Freight reaches fighting fronts quickly in this long-range, two-engine Navy transport. Big sister of plane No. 2 above, she has the same general silhouette but weighs four tons more and lacks gunturrets, Could you spot this plane? See answer at lower left.



4 Built for Britain by a famous American company, this twinengined, low-wing bomber won laurels in desert warfare over North Africa. Extremely fast, she carries a crew of 3, has sufficient firepower to serve as a long-range fighter. Know her? See answer at lower left.

You won't recognize this Airplane

. . . because it hasn't yet been built. And it won't look like this, either. But 125-ton airliners of advanced and unusual design will be familiar sights, after Victory. Already designed by Martin, such mighty ships need only peace to become reality. After the war you'll be able to circle the globe on a two weeks' vacation with ample stopovers for sightseeing. That's why we The Martin Planes say, buy War Bonds today . . . because you're going places, tomorrow! pictured above are: 1 "MARAUDER" THE GLENN L. MARTIN COMPANY, BALTIMORE, MARYLAND, U. S. A. THE GLENN L. MARTIN COMPANY-NEBRASKA COMPANY-OMAHA "MARINER" Navy Patrol PBM - 3 Navy Transport "BALTI MORE"

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AIRCRAFT

Builders of Dependable Aircraft Since 1909

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Business

CHAMBER OF COMMERCE OF THE UNITED STATES

Japan's Inner Fortress
Nippon prepares to fall back for a long struggle

So You Want to Buy a Farm Robert P. Crawford
An expert, who has done it, offers suggestions

What British Business Thinks Eric A. Johnston
The President of the National Chamber went to England
to find out

How Much Should Industry Earn in War Time? John S. Sutton
Look before you jump on industry's war earnings

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Private capital has new financing ideas

How Canada Controls Prices Lawrence Sullivan 34

Kindly Man With a Battle-Axe John Carlyle 36
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The Army has the planes—and "keeps 'em flying"

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Cover photograph by Statile from Monkmeyer

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F maximum speed and efficiency are to be attained in America's accelerated production for all-out war, Dust Engineering is one of the first essentials in Production Planning. Today, AAF Atmospheric and Process Dust Control Equipment is protecting materials in process, increasing worker efficiency and reducing maintenance costs. If you have a trouble-some or dangerous dust condition in your plant, write us.

Type D Roto-Clone with air filter after-cleaner for recirculating the cleaned air into the workroom. This type of equipment is especially suited to use on isolated or individual grinding stands where exhaust to the outside is impractical.





Collecting dust caused by cleaning magnesium castings presented a difficult problem which AAF engineers solved by precipitating the highly inflammable dust under liquid. Illustrated is a type N Roto-Clone booth-type grinding bench for magnesium grinding.

Send for "AAF in Industry", a new booklet describing the complete line of AAF equipment.



AMERICAN AIR FILTER CO., INC.
109 Central Ave., Loutsville, Ky.



IT'S A TOUGH PROVING GROUND

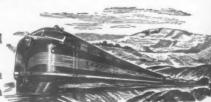
THERE'S hardly a General Motors wheel that isn't whirring exclusively for war.

Yes, the heat's really on. And while we can't tell you how many engines we're building, we can say this. You can find General Motors Diesels from African deserts to Burma jungles—and on the seas between. They're in tanks, trucks, landing and patrol vessels, tractors and many other tools of war.

And although our plants have been greatly expanded, and we're making these engines at many

times the prewar rate, they're still asking for more.

War's a hard taskmaster and a tough proving ground. But when the war is won, these enlarged production facilities for war's demands will mean more economical power for a better peacetime world.



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New eras of transportation follow in the footsteps of war. Another new era of transportation is assured in the wake of this war. General Motors Diesel Locomotives already are establishing new standards.



ENGINES 15 to 250 H.P. . . . DETROIT DIESEL ENGINE DIVISION, Detroit, Mick.

ENGINES .. 150 to 2000 H.P. .. CLEVELAND DIESEL ENGINE DIVISION, Cloveland, Olid

LOCOMOTIVES ELECTRO-MOTIVE DIVISION, La Grange, M.



Ships of all kinds are carrying a big load in the fight toward victory. And whether they're PT boats chasing submarines or big cargo liners carrying lend-lease shipments, their engine rooms are noisy. The bigger the engine, the more power it can provide to carry the boat safely, and the noisier it is.

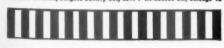
makes hearing easy

In order to carry out their duties most efficiently, ship engineers need a quick and easy means of communication with other officers on the vessel. Yet engine room noise makes it difficult to use telephones.

Burgess engineers had an answer to this problem. They had developed a small "scout" model telephone booth which can be mounted on the engine room wall. This booth is constructed like the well-known Acousti-Booth found in many office buildings and other noisy locations. It provides a quiet spot in an engine room so that telephone conversations can be carried on without misunderstanding. At the same time, its small size makes it easy to locate conveniently in crowded engine rooms—important on many small naval vessels.

BURGESS PIONEERING in acoustic development has produced many other quieting devices. Over 20 years' experience has made it possible for the Acoustic Division to successfully engineer products ranging from exhaust silencers to acoustic ceilings for restaurants. Why not write us of your noise difficulties? Acoustic Division engineers may already have worked out the solution to your problem.





Through the Editor's Specs

Good news is no news

WE WERE knee deep in rough proofs of the article on war profits (page 28) when an industrialist friend walked into the office. We read to him the paragraphs referring to congressional attacks on "war profiteers," and he remarked there was plenty of testimony on the other side, but that the public never heard about it. Headlines deal only with the exceptional, sensational cases, he contended.

On his suggestion we sent out for a copy of a supplemental report made by the House naval affairs committee in connection with its investigation of the defense program. Herewith a quotation from that report:

It must not be assumed that all government contractors are receiving excessive profits on their war contracts; such is far from the case. In fact, after surveying over 25,000 Navy Department contracts through the medium of various types of questionnaires, which contracts involve almost \$5,000,000,000,000, the committee is of the opinion that 95 per cent of war contractors are doing an honest and effective job and receiving only fair and reasonable profits. The other 5 per cent of war contractors, however, appear to be taking advantage of the war situation and to be receiving excessive profits.

In fairness, it should be stated that many contractors that have received excessive profits have done so through inadvertence—that is, the original cost estimates under their contracts were improperly calculated, thus returning a very much larger profit than was anticipated. Many of these contractors have voluntarily reduced their profits when the situation was called to their attention, either through direct refunds or reducing the prices on future deliveries. In addition, subsequent orders for the articles wherein large profits were realized have been adjusted to reduce the profits to a fair and reasonable return.

"You see," said our industrialist friend, "there isn't a headline in the whole quotation."

You never can tell

THE DIAPER shortage will soon be over. The War Production Board is upping diaper production 64 per cent. Thank you, Donald Nelson—and we are thinking in this case not of mothers and

babies, but of the optical industry.

You never know in what unexpected quarters a restriction or shortage may show up. The Bausch & Lomb Optical Company discloses that a lack of diapers has hampered its war work. The company uses a type of lint-free cloth, commonly made into diapers, for wiping and polishing lenses. While lintless, the cloth will absorb the evidences of washing and handling lens surfaces. More diapers thus mean clearer lenses in bomb sights and such.

Sweet are the uses of industrial diversity!

It's "profit-and-loss"

OUR neighbor's small son acquired a newspaper route a few weeks ago and faithfully hopped out of bed every morning at 5 to serve his customers, rain or shine, seven days a week. His father sat down with him one evening to check over his accounts. He warned the youngster that he must keep closer track of his new orders, his vacation "starts and stops," and his collections. Otherwise the boy might wind up the month in the red.

"Why, dad!" expostulated the boy.
"You don't mean to say there's a way I
can lose money in this business, do
you?"

The lad was making a profound discovery—namely, that it's the "profit-and-loss" system, not just the "profit" system. A good many well-meaners in high places have yet to learn this important fact. They never speak of "risk-capital," and one might gather from their pontificates that profits are automatic, like putting a nickel in a juke box and getting a tune. Our neighbor's boy could teach them something about this—any morning they'd like to get up at 5 o'clock and trudge up and down the street in the rain.

The mail goes through

THE White House helped deliver our mail the other day. A Chicago business friend wrote us a letter and although he knew our office is just across the park from the domocile of presidents, he wasn't sure of the street number. So he wrote on the envelope "Nation's Business, Washington, D. C., near the White House." The postman never faltered;



"Let me tell you about my Operation"

"MAYBE you think a freight car doesn't know how it feels to have a lot of doctors go to work on it. But let me tell you about my operation.

"I had been working day and night, carrying the extra war burdens, when all of a sudden I lost the old pep. You know, felt listless, slowed down, and not able to keep up with the fast pace of today.

"It didn't take the Erie car doctors long to diagnose my case. They cut me open and found some of my framework needed replacing. And did they do a job on me! I'm back on the job now—feeling 20 years younger."

Many freight cars are back on the job now serving the country, thanks to the skill of the car repair men. By rebuilding and repairing cars, the Erie is able to maintain good service to its customers as well as haul the increasing war loads.

For in war as in peace, the first thought of Erie men is to provide fast, safe, dependable transportation. It's the men who make the Erie.



just marched right up the steps and handed us the letter.

The real article

EVERY once in a while somebody cheers us up by stepping out of the fog of abstractions about post-war planning, to offer the public a look at something real—something that can be bought and sold and add to life's enjoyment, come a happier day.

A number of industries have afforded previews of items they plan to make and sell after the war. One of the most recent in this field, Servel, Inc., is demonstrating a new all-year gas air conditioning unit which it proposes to put on the market when the war ends. Market outlets are being lined up. Personnel is being trained to sell, install and promote the product. Meanwhile, the company is wholly engaged in making war materials.

Post-war planning, to paraphrase a quotation often heard in Washington, is of two kinds: the kind you can kick with your feet, and the kind you can crumple in your hand. This is the kind you can kick with your feet.

Figurative figures

WE ARE intrigued by almost anything Vice President Wallace does these days. The latest mental titillation stems from a penciled correction which he had made in the text of his Detroit speech, a copy of which reached our hands following its delivery.

"Labor is beginning to do its part in enlightening the public," the Vice Presidential text said. "It is beginning to make crystal clear that 99 per cent of labor has cooperated 100 per cent with our government in the war effort."

What stimulated our editorial hormones was that the Vice President had crossed out the figure "99" in his percentage of labor co-operation, and had written in with blue pencil the figure "97." Our mind went 'round and 'round as to what had happened. Did the Vice President figure 99 per cent of labor cooperation before all the outlying precincts were heard from? Does he keep a daily tabulation on cooperation between labor and government, and if so, on what day and at what hour did he freeze the figure of his Detroit speech? If it was 99 per cent when the speech was written, but only 97 per cent when delivered, what is the cooperation figure today? And let's not overlook the fractions.

Who said it?

A READER has sent us the following quotation and asks us who said it:

The burdens of prosperity and progress are borne by a few creative spirits . . . enduring endless labor to bring accomplishment out of the indifference of nature and the indolence of man. . . . The inert mass of humanity imagines it has made and can command the miracles of the modern world in which it lives, though in truth it is but the dumb beneficiary of the daring of industry, the sacrifice and the insight of a mere handful of for-

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gotten men who carry it on their backs. By destroying them it will some day destroy itself.

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THE Senator from West Virginia, Mr. Kilgore, let fly the other day at critics of the government's handling of the food problem. These critics, he avowed, were playing cheap partisan politics. They were even calling meetings. Hooverism, he declared, "will mark these meetings." He added:

There will be no constructive practical suggestions. There will be much destructive and divisive (sic) criticism. Our government will, if possible, be torn asunder on these platforms and our Allies will be the butt of demagogic charges. No good purpose will be served. The time has come calm, dispassionate consideration of the role of this nation in the international food picture. . .

Good suggestion, senator. Let's all get together and try it sometime.

Grief ahead!

WE'VE JUST had an inkling of a new, and probably serious, turn in Washington's conduct of the war. A leading publisher of dictionaries informs us the government is now taking 30 per cent of his output, and he's having to ration his dealers. This could mean either (A-7163-4B9) that the government is looking up longer words to put in its directives and questionnaires, or (B-8CL2-968) is trying to decipher the meaning of those it has already written. Our staff is investigating; we may have a "rationale" on it for you later.

The bird in the bush

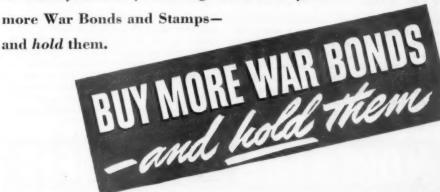
EVERY American, says Secretary Ickes in a recent article, is worth \$89,000. This figure, he says, represents the share of each of our 135,000,000 citizens in the nation's physical assets, which he values at exactly 12 trillions and 23 billions of dollars. Practically all of this huge wealth is underground, the Secretary adds, coal alone accounting for 9 trillions and 980 billions of the total. This, he says, is his answer to the "poor mouths" who fear the national debt is getting so big that we may leave the next generation "with nothing but an overdraft that cannot be honored."

Taking the Secretary at his word, we dashed down to our bank, thrust a copy of his article at the Vice President in charge of Small Loans, and offered to assign our share to the bank in return for a loan of \$89,000 or any part thereof. The banker looked at us with a round eye and went to lunch.

Now it seems that the Secretary may have had a similar jolt, for he has written a second article in which he says that coal mining companies themselves "can't go to their bankers and borrow money for such investments (capital CAST IRON PIPE RESEARCH ASSOCIATION, CHICAGO



you lend your dollars" . . . is more than a slogan in a campaign for dollars to back up our fighting men. It's the war cry of an aroused home front. It echoes in the conscience of every patriotic American. It touches the heart as well as the pocketbook of all of us who want to speed the day of Victory. Revise your budget now to buy



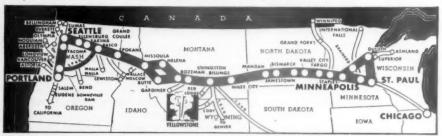
Flax, "jack of all trades"...



supplies enough straw to make . . .



paper for 180 billion cigarettes . . .



via the Main Street of the Northwest!

An important new use has been found for the amazing flax plant. Long a source of dozens of necessities and comforts—from coarse rope to finest cloth, from paint base to cattle feed—flax is today going into the manufacture of American cigarette paper.

Use of clean flax straw from Minnesota, North Dakota and Montana, instead of European rags formerly used, gives smokers a superior product and farmers cash for what was a waste before the war. Vast fields of flax in the territory served by Northern Pacific grownearly three-fourths of America's fiber—enough to make paper for more than 180 billion cigarettes.

In '43 as in '42, this important crop will roll to market over the Northern Pacific Railway—Main Street of the Northwest.

NORTHERN PACIFIC

MAIN STREET OF THE NORTHWEST

improvements) because the bankers won't lend money on diminishing assets, or on a business of which a considerable segment is inevitably heading toward bankruptcy."

Now we don't know where we are at Do we or do we not have 9 trillions and 980 billions of dollars worth of coal? And if so, what have coal companies, diminishing assets, and even John L. Lewis got to do with our \$89,000 share of the 10 trillions or, to be exact, the 9 trillions and 980 billions of our wealth?

Business opportunity?

THIS want ad has appeared several times in the Kansas City Star:

SELLING ESTATE

773 acres on paved highway 26 miles southeast from downtown K. C. 300 acres lespedeza and blue grass pasture; balance cultivation, productive land. Modern 6-room house, electricity, tenant house, barns, also another set farm improvements. Taxes 60 cents per acre: GOVERNMENT PAYMENT TWICE THE AMOUNT OF TAXES. Price \$75 an acre.

We furnish the text. You write the sermon—it's your money.

We amgot a pun

FELLOW with a deplorable penchant for the lowest form of wit asked us whether we knew that the Allied Military Government of Occupied Territories was dropping the last two words of its title, becoming AMG, instead of AMGOT. The reason, he said, was that in the bright new world ahead there were to be no more "have" and "have not" nations; only "AMGOT" and "AMNOTGOT" countries. The name was changed to avoid confusion, he said, as we handed him his hat.

Getting the right start

FAIRCHILD Aircraft, at Burlington, North Carolina, discovered that 80 per cent of its employment turnover was coming from new employees who quit within 30 days after starting to work. Personnel officials learned that many of these were simply ill at ease in a strange environment where they felt they didn't belong.

The remedy was simple, and it cut the turnover by 50 per cent. The company opened "induction courses." New workers were taken through the plants, introduced to fellow workers, manufacturing and assembly processes were explained, and questions were invited about the countless details which sometimes bewilder men and women who have never done factory work.

The armed services—and many civilian branches of government—make similar efforts to put new employees at their ease and familiarize them with their surroundings before they start to work.

Good in all tongues

WHILE checking up for our story on Japan (page 23) we had occasion to call at an embassy in Washington. There we met a a touc to lea in the ers. S so oft sumed practibegan every sthe p and s We office

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met an American girl who told us, with a touch of despair, that she'd been trying to learn a few simple words of greeting in the language of her foreign employers. She heard one difficult phrase used so often around the office that she assumed it meant "how do you do," so she practised it before her mirror and then began greeting her colleagues with it every morning. The day we talked with her she had just been informed that the phrase meant "excess profits tax," and she was crestfallen.

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We reflected on the bus back to the office that, after all, "excess profits tax" is a rather appropriate greeting in Washington, in English or any other language. It should be followed by something like "I want to tell you about my operation." Mr. Churchill might consider this in connection with Basic English.

What! Say that again!

THE Governor of Texas was indignant. Before him lay a bill just passed by the state legislature authorizing the superintendent of state penitentiaries to receive from the U. S. Treasury a bounty of two cents a pound on sugar produced by Texas convict farms. The Governor ripped off a message to the legislature, saying, in part:

It is hardly decent to suppose that no measure is too monstrous for popular credulity when it embraces a proposition to dispense money under the name of "bounty" among the citizens. Insidious and deceptive as such methods usually are, no one can deny that at the heart of them is corruption. By this means the government collects money to the impoverishment of the masses by which to gratify the greed of the favorite classes. Toleration of it by a free people finds support only in their ignorance. Lay bare the truth so they can understand it, and their self-respect and honesty will support the hand that strikes it down.

The Governor was J. H. Hogg. The year, 1892.

Credit the home folk

WITHIN the next few months, it is announced, the Office of Price Administration will start issuing ration coupons without expiration dates. Undated coupons will be spent when needed, and change will be taken in tokens representing the difference between the coupons and the point value of the article purchased.

Leader of the drive to eliminate the expiration date was Clarence A. Jackson, executive vice president of the Indiana State Chamber of Commerce, now serving as Indiana director of the Office of Civilian Defense. Mr. Jackson argued that coupon expiration dates encouraged hoarding and created "runs" on rationed commodities just before coupon periods expired, thus increasing consumption. He encouraged Civilian Defense personnel and others to write letters to OPA officials, urging a change in the rules.

To the credit of OPA, this suggestion from the "grass roots" was sympathetically and quickly considered in Washington.



Women...in the WAC and WAVES, the SPARs, MARINES and WASP... are performing services essential to victory.

New services in the realm of financing are essential, too. Victory can't be bought with money . . . but it can't be won without it.

American industries are working miracles but there are still thousands of concerns that are not producing all they can . . . as fast as they can . . . probably because they lack adequate financing.

MORE CASH ... MORE PROTECTION

Any manufacturer or wholesaler whose chief bar to greater production and sales is lack of operating cash, will get prompt and hearty response to a request for information about our new and broader financing services.

We can engineer a financing plan to make practical use of all your inactive capital dollars . . . and there are probably far more of them than you realize.

FINANCING, WITH LIMITED LIABILITY

We will set up a plan to put that inactive capital to work without red tape or restrictions, or interference with management, and with *limited liability* to you . . . one of the exceptional new features of our service you should certainly investigate.

If you want to do a bigger and more profitable business, let us analyze your needs and work out a plan for you.

Commercial Credit Company Baltimore

Subsidiaries: New York Chicago San Francisco Los Angeles Portland, Ore.

CAPITAL AND SURPLUS MORE THAN \$68,000,000

Interesting color charts of ARMY, NAVY and MARINE insignia free on request.

INSUBANCE



On October 8, 1871, 17,450 buildings in the main business and residential sections of Chicago were destroyed in a fire which started, most people say, when Mrs. O'Leary's cow kicked over a lantern in a West Side barn. Property losses amounted to \$196,000,000. Com-

panies in the Fire Association Group took the claims against them in stride . . . settled the most immediate ones as early as two or three days after the fire . . . which was one of the reasons why Chicagoans were able to rebuild their City so quickly.

1943-OCTOBER hath 31 days

"Increase your income; invest in War Bonds!"

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To obtain local times of sunrise and sun-set: for longitudes other than the stan-dard time meridians (i.e., 75° 90°, 105°, 120°, for Eastern, Central, Mountain, Pacific Standard Time), decrease time four minutes for each degree east of standard meridian, or increase time four minutes for each degree west of standard meridian.

1-Fr. - 1934, beginning of the end of N. R. A. - retirement of Hugh Johnson.

2-Sa. - 1878, Scotland's City of Glasgow Bank closed-liabilities, \$50,000,000.

3-Su. - 1656, death of Myles Standish, Pilgrim military leader.

4-M. - If you're uncertain about the adequacy of your plant coverage, play safe-see your Fire Insurance Agent or Broker today!

5-Tu. - 1905, Wrights made first long distance airplane flight, 241/5 mis.

6-W. - First Quarter, 4:10 P.M., E. W. T. 1683, 1st German arrived Phila. 7-Th. - 1853, James Whitcomb Riley, famous Hoosier poet, born.

8-Fr. - 1840, self-acting "mule" for cotton machines patented.

9-Sa. - Yom Kippur (Day of Atonement). 1872, Boston's biggest fire wiped out property worth \$80,000,000. Comparatively few owners completely covered!

worth \$60,000,000. Comparatively lew bundles of the law and so constitution of the law and form and and fo If not, take advantage of the low rates being quoted today, and cover them now!

15-Fr. - 1917, Mata Hari, Dutch dancer, shot as spy.

16-Sa. - 1725, first New York City newspaper appeared, 1859, John Brown's raid,

17-Su.-1775, Falmouth (Portland), Maine, burned by British.

18-M. - 1867, Alaska purchased from Russia for \$7,200,000.

19-Tu.- Protect yourself from losses due to inadequate coverage-have your fire insurance policies checked regularly. See your Agent or Broker today!

Last Quarter, 9:42 P.M., E.W.T. 1926, Cubs hurricane, 600 killed.

1805. Lotd Nelson killed at Battle of Tachtle.

1805, Lord Nelson killed at Battle of Trafalgar.

22-Fr. - 1806, Thomas Sheraton, English furniture designer, cabinet maker, died.

23-Sa. - 1911, Winston Churchill became First Lord of British Admiralty.

24-Su. - 1931, official opening of George Washington Bridge, N. Y. C.

25-M. - 1415, Battle of Agincourt.

26-Tu. - 1915, American debut of Eva Le Gallienne, stage great.
27-W. - 1940, Italian aircraft attack Greece. 1858, Teddy Roosevelt born.

28—Th.— New Moon, 9:59 P. M., E. W.T. 1886, Statue of Liberty unveiled. 29—Fr. — 1811, U.S. Engine Co. organized—later affiliated Fire Association.

30-Sa, - 1768, first Methodist Church in America dedicated.

31-Su. - Hallowe'en. 1517, Luther theses nailed on Wittenberg church door.

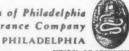
OBSERVATION for October: If your insurance coverage is based on pre-war replacement costs, it is probably inadequate very inadequate - today. For building costs are much higher now than before the war.

MORAL for October: Protect yourself from losses . . . see your Agent or Broker today.

PROPERTY INSURANCE

ASSOCIATION GROUP

Fire Association of Philadelphia The Reliance Insurance Company



Lumbermen's Insurance Company Philadelphia National Insurance Company PENNSYLVANIA

MANAGEMENT'S Washington LETTER

A last minute roundup by a staff of Washington observers of government and business

HERE'S HOW POSTWAR THINKING IN WPB IS shaping up—

These tentative conclusions have been reached in quiet planning sessions:

1—War production should be terminated immediately, not tapered off, when war

2—Quick partial payment should be made to contractors by government on cancellation of contracts, with final settlement later, so reconversion may proceed without delay.

3—War workers laid off during reconversion process should receive <u>time-off compensation</u>, at government cost.

4—If necessary, government should take over, promptly pay, subcontractors' claims, offer reconversion loans to prime or subcontractors.

Commerce Secretary Jesse Jones highlights another postwar industrial problem saying federal expenditures for plants and facilities now total \$25 billions.

This vast new industrial empire includes 1,500 plants "and must function (after war) if we are to gain our national goal of the fullest possible employment and production," Jones contends.

► Watch for sharp argument from both sides of the Atlantic on postwar merchant shipping issues.

British shipping interests—which get <u>close cooperation</u> from their government—are campaigning for restoration immediately at the close of war of prewar merchant tonnage ratios among Allied Nations.

American operators, individually so far, protest this plan.

Twice, they point out, the U. S. has been <u>caught short</u> of ships, both naval and merchant, in time of war.

Twice the U. S. has had to plunge into huge shipbuilding programs to produce vessels for routes sailed during peace by the British, they contend.

This takes great quantities of manpower and materials when they are needed badly elsewhere.

At war's start the British navy was twice the size of the U. S. fleet, her merchant marine was three times larger than America's.

But wartime U. S. production will have almost exactly reversed this proportion by war's end, shipping men say.

"We have to assume the shipping responsibility during war, we should keep it during peace and be better prepared next time," is the position of several American operators.

Pivotal point: <u>First</u> carriers to ply the world trade routes when hostilities cease will be <u>best established</u>, most likely to hold the trade.

Unless U. S. government refuses to release ships there will be a race between nations for the trade routes.

Don't underestimate the seriousness of the coal supply situation.

Fact is, U. S. is nearly 30 million tons short of this year's goal—an amount just about equal to production lost during the coal strike.

Equally important point is that deliveries have been running two weeks behind schedule since the strike.

Urgent need to stock up war plants served by Great Lakes and other water-ways before the winter freeze brought Secretary Ickes' order limiting domestic coal deliveries.

Unless both production and deliveries catch up to schedule the already heavily overburdened railroads will get another terrific overload.

Retail yards—which serve homes—are <u>last</u> on Ickes' delivery priority list.

"A desperate situation" are words used by an Ickes aide in describing the over-all coal picture.

Shortages are developing rapidly in retail outlets. One midwest dealer is able to get enough coal to operate only one of his nine yards.

Christmas gift buying is 90 per cent unplanned, impractical, wasteful, according to several WPB staff members.

They call it "frivolity," want to deglamorize this year's holiday. Other members don't. So there is another little controversy within WPB.

The de-glamorizers would urge manufacturers, distributors, retailers to refrain from all holiday sales promotion except that directed solely toward the sale of war bonds. Treasury naturally likes that idea.

Christmas-as-usual, those opposing it argue, would waste manpower, materials.

Those who disagree maintain that:

With the country's war workers warrich, it would not be possible to hold down holiday sales.

And since critical materials are <u>not</u> reaching retail outlets, these markets threaten no drain.

WPB's final position has not yet been determined.

There will be plenty on the shelves early in the buying season, most in apparel, textile, glass, pottery, wood, other non-critical lines.

Bottleneck will be in retail personnel—there won't be enough of it to handle holiday crowds, retailers fear.

But either way, do your Christmas shopping early.

▶U. S. faces winter with a good stock of civilian clothing on hand, more in sight.

Raw wool shipments from Australiahave exceeded expectations. Army has lowered its demands on cotton.

Stores asked not to press textile sales have cooperated.

All of which pushes clothes rationing farther away.

Administration's currently underground campaign to revive the Guffey Coal Act—the "little NRA"—will break out into the open this fall.

Although quiet so far, the movement is gaining strength.

Behind it are the administration's reform ideology boys, John L. Lewis, and the old Bituminous Coal Division's 1,200 former employees.

These former employees have scattered into other federal bureaus since the division died with expiration of the act last August 23.

Also lending support are a few coal mine operators, apprehensive of destructive price situations after the war.

Administration wants it revived because it would give government a big measure of control over the entire industry.

Reformers want it for the same reason,

plus the fact that it opens the way toward control over other fuels, perhaps other industries.

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Organized labor wants it because it would fix minimum coal prices, therefore guarantee minimum wage levels.

Former coal division employees want it so they may have their old peacetime jobs of controlling something when the war is over.

Many mine operators, organizations opposed to federal controls, will battle the revival.

The fight promises to be close. Ways and means committee vote in rejecting extension of the measure last spring was 13 to 11.

Now the administration is writing a <u>new bill</u>, hoping to get it before another committee.

Steamship operators who want airline rights will find a strong ally in salty, highly-regarded Admiral Emory S. Land, U. S. Maritime Commission chairman.

Civil Aeronautics Board has ruled against such combinations, has held that the Civil Aeronautics Act of 1938 prohibits them.

It also has ordered American Export Lines to separate itself from the air service it now operates to and from Europe.

> Land contends the steam lines' traffic and weather organizations offer natural, economic tieup with air operations.

He thinks the law should be made clear, will advocate it, friends say.

Industrial executives deep in manpower troubles call this problem the worst muddle of the war.

Insiders say War Manpower Commission can't agree even on where shortages exist, a point preliminary to working out ways of meeting them.

Example often cited is farm labor.
Many WMC staff members, persons in close contact with them say, still argue sharply over whether the widely discussed farmhand shortage is real.

Agriculture organization leaders have no doubt. They say it is getting more acute daily.

Meanwhile, manpower shortages are said to be cutting output in several lines, with no lasting solutions in sight.

Most critical areas include northwest shipbuilding and aircraft centers, western copper districts, western and

NATION'S BUSINESS for October, 1943

southwestern railroads, gulf coast shipyards.

At the same time New York's surplus labor remains idle, Cleveland and other points are reported to have "balanced"—

ample-labor supplies.

Industrial executives who leave WMC in despair and reach War Mobilization Director Byrnes, report they are told sharply to go back to WMC Director McNutt, do what he tells them to do.

Lumbermen blast the Wallgren forest regulation bill as another step toward giving federal government powerful, centralized control over industry.

It would give the secretary of agriculture, advised by a president-appointed board, broad regulatory power over privately-owned timber land.

States' rights advocates are joining lumber operators in a heavy campaign against it. The measure was introduced in Congress in July.

Agriculture's Chief Forester Lyle F. Watts says Forestry Service did not request the measure.

Washington's wage policies—not lack of contracts—are squeezing the nation's smaller industrials out of war work, observers report.

Scores of plants employing from a dozen to several hundred men on critically-needed war work are forced to curtail operations, these observers say.

Here's what happens:

Labor in a newly-opened governmentowned plant demands wages equal to those paid elsewhere for similar work.

Because similar work has not been done in the community, rates paid in larger, higher cost industrial areas are asked.

Government allows the higher rates. Privately-owned plants in the same community usually are working on subcontracts, won on a bid basis.

If they boost wages they lose money.

If they don't they lose employees
who, with government approval, may
go after the higher paying jobs.

Executives of smaller firms so affected who try to raise wage rates to hold employees or complete contracts on hand, have waited as long as 11 months for government action on their applications.

Meanwhile the employees, and in some cases the war contracts, go elsewhere.

Lack of little parts lays up big machines, farmers complain.

A corn picker, for example, may be already to go—except for replacement of a worn-out carburetor part, without which the entire machine is useless.

Observers in close touch with farm problems say this one is spreading as difficulty in obtaining maintenance parts grows.

TOO LATE TO CLASSIFY: War Food Administration calls for a 17 per cent cut in next spring's hog production because of the food shortage ... Big Bill Jeffers, ex-rubber czar, is riding the Union Pacific rails, looking for trouble and settling it on the spot. He calls executives who remain in their offices "panty waist operators"....Army officers say one big difficulty in settling cancelled contracts promptly is that contractors delay filing claims Agriculture Secretary Wickard advocates more comfortable clothing for men Navy officers put off buying the new slate gray uniform in the hope that Admiral King, who designed it, will get another idea Women workers in a Philadelphia arsenal are assigned 350 pounds of rouge a year. They use it in polishing processes.... Native Egyptian boys are taught to be skilled motor mechanics in seven weeks by Army Service Forces schools.... Ask General Marshall about the manpower problem-he had to paint his own garage because he could find no one else to do it If each artillery shell produced in the U. S. were to account for an Axis soldier the war would end this monthpresent production rate is 18,000,000 rounds monthly....Coal mine operators resent Secretary Ickes' attempt, in a magazine article, to pin coal strike blame on them. "Alibi," they say, pointing out that he is solid fuels coordinator, and preventing it was his job....Rain caught Donald Nelson in an open air restaurant, so he grabbed his plate, finished dinner in the kitchen. ... WPB officials who worry about the effect of postwar talk on present production were jarred by Henry Wallace's nomination of President Roosevelt as world peace board chairman, made "as peace draws near"....Fastest moving parts of an airplane are its propeller tips-which lose efficiency when they approach the speed of sound, 12 miles a minute....OPA estimates that its projected new system of ration tokens will save government more than \$3,000,000, retailers \$35,000,000 in clerical and other costs.



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NATION'S BUSINESS for October, 1943

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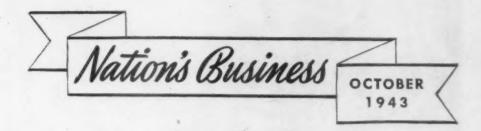
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The Moral of Italy

T IS the lesson of history that no government can endure, no administration prevail, no economic or social system succeed, if it violates the moral sense of the people. Nor if it emphasizes, even with their mandate, a material well-being at the expense of the spiritual.

Any National Plan, to be successful, therefore, must not be open to a challenge as to its essential

fairness and soundness.

Overnight, the Italian people made Mussolini, one-time Socialist leader, a dictator. They did not call him a dictator, nor did he. They, with the House of Savoy, gave him great powers in an emergency to do something for them. He promised relief and security to 40,000,000 Italians, discouraged by depression and disorder. He marched to Rome under the banner of "order." He would prohibit strikes and riots under drastic penalties. He would fix prices and wages and hours of work. He would put beggars to work and make the trains run on time. The people approved as he substituted his will for that of the courts. They cheered his administration of castor oil to humiliated neighbors.

They applauded his promises of public works, electric power, aqueducts, highways, land reclamation, a workable telephone system, the

glory that once was Rome.

Lest we forget, praise, commendation, and even adulation came to him from all quarters of the globe. Business men admired his ability to get things done. There are Americans who read these words who counted a trip to Europe not complete without an audience with Il Duce. Material progress in time of distress had its ageold appeal; let spiritual, artistic and intellectual development follow.

But the people soon found, that to carry out his plan of economic and social security, he must use the powers they gave him to do something for them to do something to them. He abolished political parties, elections, legislatures, freedom of assembly and speech; he employed 100,000 secret police; he banished 60,000 citizens who spoke out against his policies. He justified the Iron Hand on the ground that the "representatives of democracy were false leaders with empty language of liberty, equality and fraternity, who

had miserably failed."

Fascist efficiency, obtained through discipline and compulsion, lost its glamour when the people saw the price tag. The price was the loss of those intangible public services of a moral nature that modern society has come to expect from its rulers—justice, freedom, and the guarantee of human dignity. For a temporary material progress they gave up the rights of minorities, the right to differ, the right to discuss openly, the right to live one's own life.

The real Mussolini was overthrown years ago. But the chains that freemen forge for themselves cannot be cast off at pleasure. Mussolini, like any dictator, became the creature of the thousands of officials he had appointed in towns, cities and provinces. Their patronage in danger of popular revolt, they forced their patron into Ethiopia, and later, in 1940, into a compact to share in the spoliation of France.

It remained for the Inevitable Hour to encompass his downfall and add another example

to history's lesson.

Nations, which today seek to mould the individual into subordination to an arbitrarily created social-economic order, should soberly consider two examples. One is the example of Italy. The other is the example of America, whose course has been to recognize the dignity and worth of the individual, and to bend every effort toward building men and women—men and women who would be competent and well-disposed to do what should be done.

Merce Thorke



The old supply wagon is a gun fighter now

ANOTHER REASON FOR GOOD/YEAR LEADERSHIP

A WHILE BACK, the harmlesslooking U. S. Army truck was one of the favorite targets of low-flying enemy planes. But not any more.

Many of these trucks today are equipped to fight back. They have high-caliber machine guns mounted on the roof of their cabs—lethal weapons that are ready to spit fire in all directions.

To arm these trucks, it was necessary to design and produce a carriage track on which the gun could revolve—instantly, unfailingly.

Goodyear's long experience in working with metals, in producing in peacetime the most complete line of steel rims manufactured for truck tires, was valuable in developing a suitable design in co-operation with the Army.

With the experience, equipment and precision workmanship of its large rim plant, Goodyear is turning out large quantities of these machine gun carriage tracks . . . helping to make tough fighters out of one-time defenseless supply trucks.

Always a pioneer in the manufacture of tires and other rubber products, Goodyear also has wide experience in working with metals, chemicals, fabrics and many other materials vital to America in war and in peace.

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If you love your country—buy more War Bonds



THE GREATEST NAME IN RUBBER

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NATION'S BUSINESS for October, 1943

Japan's Inner Fortress

By PAUL HODGES

a larger part in the Pacific as Nippon pits her industry against America's

BEHIND Washington's communiques about the Pacific war lies growing concern over the American public's tendency to under-rate Japan.

Nippon's 1943 strategy is to hold all or part of the enormous gains she has already made. From that standpoint, her war economy is stronger today than before Pearl Harbor and is growing stronger.

Yet government agents report that average American opinion assumes that, once Hitler is defeated, Japan can be mopped up in short order.

Some top officials in Washington's war agencies hold this overconfidence is manifested in continued strikes and wage increase demands, and in what they describe as a premature trend of executive thought and planning away from war production toward planning for peace-time business. They hold the public mind is not being prepared for the shock which the cost of beating Japan may bring.

Most of the information available to the public has dealt with Japan's military effort on the fringes of her new Empire. Little emphasis has been placed upon her economic might, which is a determining factor in her military staying-power.

Much that the intelligence services of the United Nations know about Japan's economy is secret. But, with-



Red areas above comprise Japan's Inner Zone of self-sufficiency. Broken red line encloses her Outer Zone of conquered territories

in the limits of censorship, it is possible to put together a reasonably accurate picture of Japan's internal situation as of 1943.

Prepared for long war

JAPAN'S military and economic strategy—they are inseparable—are designed to meet two basic weaknesses: The lack of time and ships; time in which to exploit her conquests, and ships to carry her new wealth to Japan proper. So the Tojo government has established Inner and Outer Zones, and is working out Japan's destiny accordingly.

The Inner Zone is a final bastion of defense into which Japan can crawl

for a long defensive war. It comprises, roughly, the pre-Pearl Harbor Empire—the Japanese archipelago plus Korea, Manchuria, Formosa, and sections of North China above Shanghai. (See "The Materials Front as We Face Japan," Nation's Business, Jan., 1942.)

In this compact area, Japan is concentrating practically her entire durable goods plant, her metal-making facilities, her shipbuilding yards, her armament industry, her processing equipment. She is distributing basic industry over this zone to provide protection against attack and is relocating many of her most important processing plants nearer to raw materials sources. Some of her war in-

dustry is broken down into very small units, the smallest of which are the homes of those who do piece-work.

Huge stockpiles of petroleum, ores, rubber, coal, tin and the like are piling up in the Inner Zone. In certain items Japan has an embarrassment of riches; so much rubber, for instance, that she is paving roads with it.

Seeks self-sufficiency

SELF-SUFFICIENCY within the Inner Zone is the objective and, unless our own experts are badly fooled, she is far along the road to her goal. Her stockpiles may last for years, if her accumulation program isn't interrupted too soon—and the Tojo Government is preparing even for the latter possibility.

Despite her virtual monopoly of raw rubber, Japan is building synthetic rubber plants in the Inner Zone. She controls vast petroleum fields in the Netherlands East Indies, but is nonetheless building facilities in the Inner Zone to produce oil from coal and shale, and experimenting with squeezing oil from rubber.

Food would offer no real problem to the population in the Inner Zone. Japan's agriculture is a thriving industry, and there are broad areas of fertile land in Manchuria and Korea.

A glance at the map shows that,

new wealth that has changed Japan from a "have not" to a "have" nation. Much of that wealth she cannot use during war. Some of it she can, provided a steady procession of cargo ships keep bringing it to the homeland.

Recent indications are that the perimeter of the Outer Zone has begun to shrink; that Japan is taking some long steps backward toward the Inner Zone to shorten her lines of communication.

American submarines and warships have made serious inroads on Japan's shipping, having sunk around 2,500,-000 tons of her 6,350,000-ton merchant fleet. Japan's replacement capacity is variously estimated at only 500,000 to 750,000 tons a year, as compared with our 1943 goal of 19,000,000 tons. She may have deliberately neglected cargo vessel construction in favor of naval construction. A United Nations official who was interned within sight of the Kobe shipyards for eight months after Pearl Harbor, reports that the Kobe merchant vessel yards worked only four or five night shifts in the entire eight months.

Japan's big problem is to get what she wants out of the Outer Zone as quickly as possible, and prevent Outer Zone areas from acting as a drain on the Inner Zone as the war progresses. inter-island transportation for their food are being encouraged to grow their own rice and other items of staple diet.

Japanese economic policy has vacillated curiously. Tokyo announced soon after invasion, that most of the East Indies' rubber and sugar plantations would be replaced with rice fields. Shortly thereafter, however, swarms of technicians and shiploads of equipment were sent in, presumably to restore grand-scale production of rubber, sugar and oil.

Germany may have had a hand in this policy switch, because she was reported to have argued that Japan would be smart to restore commercial scale production, build stockpiles in the Indies, and clean up in the world markets after the war—sharing the booty with Germany.

Only way to crush Japan

NOW the policy appears to have changed once more. A recent Tokyo announcement says the military has taken over 60 per cent of rubber acreage in Malaya and Sumatra, presumably to turn rubber plantations into rice fields.

Further evidence that Japan is pulling back toward the Inner Zone is the recent tightening of military control over the Inner Zone. Japan's government has been a system of local districts with local administrators. Premier Tojo has now set up regional authorities under military men named by him without consulting the Cabinet. The regional authorities have all the powers of the local administrators, and reach clear down to the individual.

Experts who have lived in Japan for years say that the only way to crush Japan is to overwhelm her on her home ground, with weapons on a scale Japan cannot hope to equal. Every day that she is able to build up her own manufacturing and processing facilities makes the job harder. Hence the cost of beating Japan rises every day. American production must not only be prodigiously more than Japan's, but we must transport it across a bridge of ships and planes.

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In many respects it will be a duel between Japanese and American industry. The fundamental weakness of Japan is that her industry still lacks a broad base and versatility. The strength of American industry, in war, is in its daring resourcefulness, and its tremendous backlog of skilled labor and adaptable machinery.

Japan is striving, night and day, to catch up. That's why, with an Allied offensive scheduled in Burma, Washington is calling upon American industry to work harder than ever before

Japan's War Balance Sheet

ASSETS

Geographical remoteness

Raw materials and manpower resources

Expanded productive facilities

Self-sufficiency in Inner Zone

Complete totalitarian control

Enemy pre-occupation with war in Europe

LIABILITIES

Shipping shortage

Lack of technical skills

Long lines of communication

Consumer goods shortage

Inability of subject peoples to sustain themselves

Multiplicity of enemies

by retiring to the Inner Zone, Japan would practically eliminate her ocean shipping problem. Aerial defense would be within easy reach of bases and supplies, and the Japanese Navy could hug its own coastline.

The Outer Zone includes all of Japan's newly conquered territory: occupied China outside North China, the Netherlands East Indies, the Philippines, French Indo-China, Burma, Thailand, Malaya, and whatever else she is able to hold of the South and Central Pacific's countless islands and atolls. Here are the sources of the

To this end, she is now trying to develop self-sufficiency among the native populations of the occupied areas.

Consumer goods are scarce throughout both zones and, to the extent that Japan is unable to provide her subject populations with them, her policing problems are complicated. So she wants the East Indies, the Burmese, the Malayans and other captive populations to feed and clothe themselves. Cotton textile machinery is being sent from Japan, and even the art of the hand loom is being taught. Islands which previously relied upon

NATION'S BUSINESS for October, 1943

So You Want to Buy a Farm

BEFORE you buy that place in the country, either as a hedge against inflation or as a place to retire to, ask yourself one question. Having answered it, ask somebody else several more

My friend, the real estate man, is trying to discourage two eastern bankers from buying a ranch. They know nothing about ranching, they just have several thousand dollars that they want to put somewhere. Excellent prices for farm products of the past few years have convinced them that they ought to put it in land.

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Apparently everybody feels the same way. As long as a year ago, bankers in a large Ohio city told me that practically every man of means in their city had bought a farm. Since then I have traveled some 10,000 miles and have seen this interest in land developing everywhere and among all classes of people.

So no matter who you are or where you are, it appears that sooner or later you, your customers or friends are going to marry the land, for better or worse; that is, if you are not tied up with it already. Everyone has the nostalgia for Sunday dinner "at the farm" with great platters of fried

Maybe you want a place where you have room to roam your own acres and "to get away from it all"—But is that really a farm?

chicken, new potatoes and corn on the cob, not to mention the two bushels of Winesaps crowding Sally and Junior in the back of the car on the return to the city. And it is downright pleasant to be able to give your friends that nonchalant invitation, "Come out and see the old place sometime."

Longing for mother earth

THIS acute longing for mother earth somehow always becomes intensified when the fried chicken is sandwiched in greenbacks and your neighbors are talking to you about turning down that paltry \$5,000 profit on the farm "on account of the income tax, you know."

If you haven't a farm now, I suspect that it is the subject of many an interesting conversation at the dinner

table. If you have a farm, its problems will provide conversation for breakfast and lunch as well. But I don't expect you to be as ambitious as the Missouri man who has accumulated between 200 and 300 farms, all on small equities, or that brave soul in western Kansas, who bought everything for miles around during the drought years and now, with rains falling and wheat fields waving, has been selling.

But it is disconcerting to think that, out of the 6,000,000 farms in the country you, as a buyer, may end up with the wrong one! Once married to a farm, you may have a hard time getting a divorce.

Just the other day a Chicago woman wrote me about her farm adjoining a small western town:

"I bought it at a tax sale 25 years ago and you know the answer. Do you

now?

I think she can.

The buyer of a farm needs, and gets, more advice than the seller. When you proudly announce that you are buying a farm, your friends will tell you:

"Don't buy a cheap farm, buy a

good one."

"Naw, buy a place and have the fun of fixing it up. That is the way to make real money."

"What you want is income. Don't worry about location."

"Never mind the income, get the place you want."

First, make up your mind

ALL of that is probably good advice for some people, bad for others. Before you, as a prospective farm buyer, decide whose counsel you will follow, you must determine:

"Do I want a farm that is a pleasant place to live on or retire to, or do I want a good income producer?"

If your preference is for the firstmerely a place where you have room to roam on your own acres and "to get away from it all"-what you want is probably a country estate and not a farm at all.

There are bargains in country estates today because they are liabilities. Without crops or profitable stock

suppose I could get \$10 an acre for it they will lose money and may be harder to sell later than houses in town. The danger of a country estate is having expenses and equipment that the income cannot support although, if vou have a substantial income anyway, I am not the one to suggest that you should not take your profits in enjoyment. I know one man who doesn't need the money, whose agricultural experiments are far ahead of those of most agricultural colleges.

I know other men, too, who have bought country estates which they are turning into farms and still others who have bought farms where they do not live now but which they are developing into country places where they hope to live eventually. And some elaborate country places do make money. One near Denver sold two years ago for \$40,000. It carried itself. Except for that, it might not have brought \$20,000.

But, between the country place and the real farm there is often a wide gulf. Some of the best income producers have no buildings at all; they are simply run on share contract.

If you are buying a farm for income, you must remember that big money seldom comes year after year. Don't be swayed too much by farm enthusiasts who will tell you:

"We are going to have inflation after the war. That can't help raising the general price level. Land, the most

fundamental of all things, is bound to go up." Or:

"Europe is busted. Some one is go. ing to have to feed those people. They won't get on their feet for years and in the meantime, there will be a demand for everything the United States can raise.'

Those are big thoughts and they may be true. As a hedge against inflation land is better than most.

It is also true that Europe is taking quantities of food. It is going to take more. We might even run out of wheat. There are promised "floors" under food prices for after-the-war.

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That looks good for farmers. But remember we are producing tremendous quantities of food right now. As Europe is again taken over, there will be gradual resumption of food production by the warring nations.

Part of our shortages now are due to the fact that soldiers eat more than civilians. Short of a long war, that extra consumption will let up. Any great unemployment in this country after the war will reduce consumption. There will be complaint if we are feeding Europe "free of charge." Better shipping will open other food-producing parts of the world.

12 to 15 per cent return

I MENTION these things to temper any conclusion that we might be set for tremendous and everlasting agricultural prosperity and to warn you against being deceived into thinking that five per cent is a good return. If a farm can't pay ten per cent on today's prices for the landlord's share, just what will happen if farm prices go down? The men I know who are really making money expect 12 to 15 per cent right now.

It is not the purpose of this article to tell you how to get that kind of return except, perhaps, to say that, aside from the matter of crop priceswhich are high today—the main factor is the full utilization of the place for the most profitable crops and livestock.

We were looking at a farm in Iowa the other day. It could readily stand 200 acres of crops but it is running a little less than half that. It makes around \$2,000 for the landlord's share. But, if the corn and soybeans were increased a half in acreage, the place would make \$3,000.

If you have a place and want to sell it, you might give more thought to its full utilization and, if you are buying, you might give thought to a "sleeper" that has possibilities for development But make sure there is not something wrong with it.

Most important, if you are dead set (Continued on page 85)



"Naw, buy a place and have the fun of fixing it up, that's the way to make real money," is good advice—for some

What British Business Thinks

By ERIC A. JOHNSTON

DURING my trip to South America a few months ago, business men of our neighboring countries often asked me:

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"How far left is the United States going?"

Recently I have returned from England. And back here at home I am often asked:

"How far left is England going?"
The only frank answer I can offer to either question is that I don't know. A good many South American business men had heard and believed distorted versions of developments in the United States. But I doubt if our own business men are fully aware of the extent to which some elements among British business men are resigned to, or prepared to accept, a measure of government control which

we would describe as state socialism. We have, in the United States, many schools of business thought. We tend to put them into two general groups—conservative and progressive. But all our schools are unanimous in their devotion to the principle of free, competitive capitalism which guarantees opportunity for all. In Britain there are important business leaders who regard this very principle as "ultra-conservative."

It was my privilege to talk with British business, labor and government leaders in public and in private, singly and in groups. We spoke our minds very frankly and bluntly. I made it quite plain that we Americans looked forward to a postwar era in which there would be a minimum of restriction on enterprise, and a maximum of freedom and opportunity.

Emphasis on security

SOON it was apparent that some of our British friends in business life hold views resembling those of a few Americans of little faith, who contend our economy has reached "maturity" and that more and more government controls will be necessary after the war.

Those in Britain who think along that line want a postwar world of security and opportunity, but with emphasis on the security. American business men want a world of security and opportunity, too, but they emphasize the opportunity, believing there can be no



THE PRESIDENT of the National Chamber reports the highlights of his talks with business and industrial leaders during his recent trip to England

I found that the British want not only social security, but some groups of their business men want business security as well. These groups believe

security where opportunity falters.

security as well. These groups believe the way to security lies through restrictions on competition, and by forming cartels and combinations under government direction. They honestly fear that unless competition within and between nations is controlled by government, the shooting war will be followed by economic warfare which will blast our hopes for a just and lasting peace.

It is only fair to say that this view is not shared by the middle groups of British men, who see in cartels and combinations the same evils that we do in America. I told everyone with whom I talked that American business men oppose, by law and by temperament, the cartel idea. I told them we want fair competition, a chance for

all to share, in postwar markets of the world.

These questions are being debated very seriously in Great Britain today. If the cartel school should win the argument, we in America might find ourselves living on an island of free enterprise after World War II, just as this country lived on an island of democracy after the Revolution.

It is as necessary that American business men understand the British viewpoint, in all its shades and gradations, as that British business men should understand ours. Such differences as exist between us in outlook, in our economies and in our methods and temperament are by no means insoluble. The important thing is to recognize them and set to work promptly to reduce the mental hazards which otherwise might hamper the cooperation which we both greatly desire.

Postwar relations

THREE questions of Anglo-American postwar relations are uppermost in the minds of England's business men:

First is the question of tariffs.

Second is the exceedingly complex matter of currency stabilization and investment.

Third is the equally intricate problem of controls and regulations for international commerce.

"What will America's policy be?" I was asked again and again. "How can we work together to solve our

mutual problems?"

Foreign trade considerations loom much bigger in the British mind than in ours. The war has upset normal balances and relationships under which Britain carried on her foreign commerce. Yet the British depend on imports for raw materials, and must export most of the products of their industries. Our own foreign trade has grown rapidly, but we have enormous resources of raw materials and we have huge markets in our 48 states.

War has taught the British a great deal about mass production. I visited a number of factories in such industrial centers as Manchester, Liverpool and London. Surprising strides have been made in mass production techniques and skills. The men who man-

(Continued on page 102)

How Much Should Industry Ed

By JOHN S. SUTTON

THE HOT WINDS of controversy over wartime earnings of American business are starting to blow.

As usual during war, the men who produce the weapons and materials of battle face charges against their patriotism and ethical standards. Some of these accusations can be written off as garden variety demagoguery. Others flow from honest misunderstanding of the problem and lack of information as to its elements. This article is concerned only with the latter category.

Straws in the wind:

A United States Senator takes a hasty look at a highly complex industrial situation and arrives at a verdict which a corps of experts, after months of investigation and study, have not reached. He calls a press conference and blasts at "folding money patriots."

A congressman announces that the public is being gypped on food prices

No Ground for Criticism

THE worried president of one of the largest business firms in the United States posed an unusual problem to the editor of NATION'S BUSINESS. The prices at which he bought the raw materials for his product were fixed by Government. So were the prices at which he sold. Efficient management had brought his unit costs to a much lower figure than those of his competitors. Result: the company was making more money than it ever had before. Was it moral, or ethical, for the company to keep this profit, which the law practically forced it to make?

That was in 1917, during World War I. NATION'S BUSINESS sought an answer from Dr. F. W. Taussig of the price-fixing committee of the War Industries Board. His reply:

My view is that an industry best performs its service to the country by attaining, within the limits of business practices, of government regulation, and of right standards of employment, the highest productive efficiency. Profits earned in this way can give no ground for criticism or for accusation of unpatriotic conduct. . . The restrictions and regulations as to production and prices which are fixed by the War Industries Board, the Food Administration or other Government agencies, must necessarily be observed. Subject to these restrictions, it is not only permissible but desirable that every industry be conducted with a view to securing the largest possible return in product for every dollar spent.

Today, 26 years later, the question again is pertinent. There is no authoritative answer available. The accompanying article describes the dilemma of business men—and the public—on this important question.

—THE EDITORS

A typical newsboy earns a profit of 15,000 per cent on a capital of \$2

because, he says, "middlemen" are making profits up to 500 per cent—he doesn't say of what, or why Congress hasn't long since moved to correct this situation, if true.

Another congressman presents to the House his "one-man survey" of war industry's profits, warning gravely that, unless these profits are whittled down, there is danger the country may turn to socialism or communism.

The congressman uses so many different and sometimes novel yardsticks for measuring profits that accountants find his reasoning as hard to follow as a Mississippi side-

wheeler twisting downstream in a dense fog at midnight.

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So everybody's beginning to talk about profits—Congress, the Treasury, labor leaders, Government's policy-makers with a "passion for anonymity," the newspapers, radio commentators, politicians, bankers, labor leaders, management men, and just plain citizens. Once in a long while a feeble chirp comes from a stockholder.

Everybody, the record shows, is against "unreasonable profits." Everybody agrees there should be restrictions and regulations against them. Congress has passed laws against "excess profits" and established boards and commissions to administer them. It has provided for the renegotiation of contracts for weapons and materials. Yet the outcry against "war profits" grows louder.

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When some one denounces "war profiteers" it is well to ask what yardstick was used. Those who want to paint the picture blackest may pick a yardstick that will do it

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Inquiries directed to the nation's leading management men produce two principal answers.

First: No one has ever been able to write a satisfactory definition of what a reasonable profit is.

Second: No two businesses are precisely alike, and the rules, if they are to work, must be flexible. A profit, expressed either in percentages or dollars, which might seem outrageously high for one firm may be grossly inadequate by every standard for the fellow across the street.

What is "excess profit"?

"WHAT this country needs, in addition to a good five cent cigar," an outstanding war manufacturer told the writer, "is a definition of excessive profits."

An important question for the layman to ask, when someone denounces "war profiteers" and cites figures, is what yardstick the denouncer used. A study of recent published attacks on war industry's earnings shows how the yardsticks may vary, producing widely different results. The study shows these bases used by the critics in estimating profits:

The difference between total income and total outgo.

Gross earnings, figured before deducting heavy war-time taxes.

Earnings after taxes, but before renegotiation of Government contracts.

Earnings after both taxes and renegotiation.

Earnings in relation to dollar volume of sales.

Earnings in relation to original investment.

Earnings in relation to "capital plus paid-in surplus."

Earnings before or after setting aside such items of cost as depreciation and maintenance, and allowances for postwar reserves.

Earnings per dollar of market value of common stock on the New York stock exchange on any date you want to pick—high, low or jack.

Apply several of these yardsticks to a given company's earnings and it might be found that the company made, during 1942, 1,000 per cent on original investment, three per cent on net sales, 18 per cent on sales before taxes and renegotiation, 40 per cent per dollar of market value of common stock on a given day, and so on. Those who wish to paint the blackest possible picture presumably would use the 1,000 per cent figure. The company might choose the three per cent figure. Both would be statistically right. But which of these figures

would get the most public attention?

"And how," says an industry accountant, "do we get the public to listen to our technical explanation as to why the 1,000 per cent figure is unfair and unrealistic, while our own figure is sound?"

Forty-eight important companies engaged in war manufacture were listed by the congressman in his "one-man survey" which attracted national attention and constitutes source material for many a stump speech. He found that the profits of these companies ranged up to a high of 53.88 per cent. Of what? Of each dollar of market value of the companies' common stock on the New York Exchange on January 16, 1943.

News influences market

THIS was a real stunner as a yard-stick. Market values are influenced by the public state of mind on many factors—among them war news and the weather. On the congressman's basis, a company which showed a given profit for 1942 on the day before Mussolini was booted out of Italy would have shown quite a different 1942 profit on the day after. The stock of one important war corporation, which the congressman cited, has fluctuated on the stock exchange this year from a low of $7\frac{1}{8}$ to a high of $14\frac{5}{8}$, or a variation of more than 100

per cent. Thus the congressman's yardstick would be twice as long at the market high as at the low.

Putting this yardstick back in his collection, the congressman pulled out another for measuring the profits of a newcomer in war industry which the congressman conceded has a magnificent production record. This time he computed profits against the company's capital and paid-in surplus, and came up with the "shocking" figure of 1,740 per cent in 1942.

On this basis the average newsboy is a black profiteer and an enemy of society. He buys his papers for two cents a copy and sells them for three. His turn-over is 100 copies a day, so his "capital" is \$2. He works 300 days in the year, so his annual profit is \$300 on a capital of \$2—or a profit of 15,000 per cent! Compared to the newsboy, the company cited by the

congressman was a piker.

Further confusion arises in the public mind over the announcement, by some companies, of "earnings before taxes." In one recent case "earnings before taxes" were listed as more than \$8,000,000, but at the bottom of the report it turned out that earnings after taxes and other deductible items were only a little more than \$100,000. The opponents of this not uncommon practice argue that earnings before taxes are not earnings at all, because taxes are as much a fixed cost as labor and materials, and management has no control over them. Listing "earnings before taxes," misleads the public on the nature of a

Explaining millions

very difficult question, it is contended.

"I FIND that it's impossible to explain millions and billions to the public," says the head of a big midwestern company. "We don't seem to know what either one of them means. We simply state the facts as accurately and completely as we can, and the rest lies in the laps of the gods."

Ciphers needn't be too confusing, however. Take the theoretical case of a company which was organized in 1902 and which, 40 years later,

looked around to see what had happened to it in those four decades. The auditors set down in adjoining columns the following figures:

Products and services

 sold
 \$42,300
 \$186,600

 Interest on debt
 2,100
 620

 Dividends
 5,600
 6,000

 Taxes
 240
 20,370

The record looks pretty good—nice, steady growth in business, debt

whittled down year by year—until the earnings and taxes figures are studied. The rate of earnings to products and services sold has dropped far down the scale, and the dollar volume of earnings has increased only slightly. Taxes, meanwhile, have increased geometrically, and the ceiling on taxes isn't yet in sight. The prospect gives this theoretical company a good deal of pause.

Add four ciphers to every figure in the table shown above and you have the 40-year record of the United States Steel Corporation, as shown in

its 1942 annual report.

Irving S. Olds, chairman of the board of U. S. Steel, stresses a point which perhaps more than any other disturbs the men who manage the nation's big war industries—especially durable goods industries. This is a question of how much government

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Postwar re-conversion will depend on how much industry can put aside

will permit industry to set aside from its earnings for post-war conversion and employment.

"Sums carried forward for future needs are as important to the security of the workers and the public as they are to the owners," said Mr. Olds. "They must stand the losses during the periods of bad business. They must take care of changes in tools and machinery demanded by scientific

progress, over and above the sums set aside for ordinary wear and usage. They must cover the payment of longterm debt and other obligations, and enable management to meet emergencies which are bound to turn up but cannot always be foreseen."

Government dins this proposition into the ears of American war indus-

try:

"Scrap your whole peacetime plant if necessary. Give up your normal markets. Let your customers melt away; work only for us. Expand to beat the band.

"Produce 20 times as much as you ever dreamed of producing. Pay what we tell you to pay for labor and materials. Pay the highest taxes in your history.

"Be ready at all times to refund millions after we renegotiate your contracts. We'll leave you a wee bit for postwar conversion, maybe, but the minute the war is over, be ready to provide full employment to millions of new workers and millions of demobilized service men—if you don't, you will be branded as incompetent and you will have to move out while we move in."

Public on the sidelines

INDUSTRY'S reply to this is a gulp, plus a plea that Government establish the rules, call the signals out loud, and agree in advance as to what the signals mean. The public sits on the sidelines, swayed first by this cheerleader, then that.

The rules appear to have changed drastically in recent months, for instance, in connection with "incentive

> pay." The Lincoln Electric Company case is a classic. J. F. Lincoln, president of the company, which specializes in electrical welding, came to Washington ready to hear vociferous criticism of his policy of increasing his company's earnings as much as possible and paying high bonuses and incentive payments to his workers. Before he got out of the congressional hearing room he had fairly well convinced everybody that he was a public benefactor whose policy had contributed hugely to increased

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production, efficiency and the lowering of prices of his product. Now the Government, disturbed by failure of some phases of the war production program to meet stepped-up schedules, calls for incentive payments.

When charges begin to fly that a company has made "unconscionable" profits, it's a good idea to dig into the

(Continued on page 109)



When civilian feet go on a wartime schedule

TODAY, MANY PEOPLE are working long hours at jobs where they stand or walk, or operate machines with their feet.

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In addition, gas rationing is making most Americans walk more than usual.

All this makes it advisable to know something about the health and care of your feet. For, if your feet hurt, you feel miserable all over. You tire more easily, your work seems more difficult, and you can't enjoy even your leisure hours fully.

Like any complicated machine, the feet can get out of order. Poor habits of walking or standing, or the wearing of improperly fitted shoes, if long continued, can force the feet out of shape.

Habitual toeing out, for example, either in standing or walking, is a common cause of weak or flat feet. Even perfectly healthy feet may rebel against unaccustomed hours of extra duty.

Corns, calluses, bunions, and hammertoes are indications that something is wrong. Perhaps it is the shoes you are wearing. Such danger signs indicate the need of a podiatrist-chiropodist or an orthopedic doctor.

If your feet protest at the end of the day, perhaps your shoes are improperly fitted, or unsuited to your work. Your posture may be at fault, or your feet may not be getting enough rest. You may have sinking of the arches, so that your feet require more support than is given by ordinary shoes.

New shoes should be comfortable when you first put them on. "Breaking in" shoes really means "breaking in" your feet!

When you buy shoes, try on both shoes and test the fit both standing and walking. Select shoes for the job they are to do! High, narrow heels are unsuitable for long hours of standing or walking. They may upset the body balance and cause strain in muscles of the feet, legs, and back.

Good foot health is important not only to foot comfort, but to the health of the entire body. It is difficult to get all the exercise you need when your feet are not in good condition. If the lack of exercise results in increased weight, the strain on the feet may become still greater.

The wisest course is to try to prevent foot trouble from developing.

Actually, your foot health can be better than ever under wartime's extra demands, if you observe the rules of foot hygiene and wear properly fitted shoes.

On request, Metropolitan will send you a free folder on foot care, 103-P, entitled, "Light on Your Feet."



Home Building Down to Earth

By GEORGE W. WEST

HE EARLY white settler-your forefather or mine-doubtless located his homestead at what he believed to be the safest spot in the clearing from the intrusion of Indians and at elbow distance from their arrows and firebrands. There was no government to tell him where or how he should build. There was no government to count the number of houses required for every boatload of these people plus the normal increase in their families. They collected in communities for safety's sake and finally employed some one of their number to look after the incidental and necessary chores around the community which, in many cases, was within a com-pound. This person was the first government employee.

They were likewise motivated in their hazardous journey by that desire of every free man to own a home on a piece of ground which upon his passing would not revert to the state but to his children and his children's children. Thus the desire to create, to have, hold, and will to the next generation became one of the basic principles upon which this free country was inaugurated.

As surely as we have never required this government or any of its derivitives to count the number of houses needed or to pro-

vide them, we stand ready without government aid to continue the housing job. There are few if any businesses quite as expandable as building. A proof of this is most notable in wartime because we have hundreds of contractors ready to build hundreds of buildings at the drop of a hat. The evidence of their ability is



THE million persons who plan to build after the war will find the answer to an important question here

easily observed around your town and mine.

The basic financing of home building has always been done with the savings of the people which represent long-term investment money. The people who repay a long-term home loan are likewise savers. With these recognized principles, home building

and home ownership in this country have gone forward.

Global war has interrupted the natural process of building enough houses for the needs of the people, with money saved by the people. The Government has gone ahead and built half of those which were permitted under wartime restrictions. The reduction of our home building activities to a third-and probably eventually a fourthof our normal, prosperousyear, peacetime production has focused attention on the great demand for home building which is piling up to give the builders a grand rush of orders the minute the white flag flies in Berlin and Tokyo.

Lessons in finance

TALK of a million houses that need to be built almost immediately thereafter has become common. And because the natural processes of the home construction industry, financed by longterm capital derived from the savings of the people, have been slowed down by the necessities of war, the tendency has been all too frequent to assume that the giant task after victory will require some new financial instrument, some interference by government, some financing by public funds, something different, revolutionary and, of course, "ab-

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There has always been as

There has always been ample capital for the financing of home ownership. I believe there will continue to be after the war. The big thing to remember and remind ourselves is that this capital is going to be available from institutions, managed by men

(Continued on page 80)





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Won't you help him?

This pilot is one of millions of men in the armed forces who need equipment that only your dollars can buy. Not just a few dollars now and then—but regularly—every dollar you can possibly invest in War Bonds from now till Victory!

Over the interphone comes the bombardier's voice, "Bombs away!" Some day, some pilot will hear these words as the war's last bomb goes down. He will bring his crew home to their happiest landing—in a world where all men may look to the skies, not in fear of death, but in thankfulness for freedom.



How Canada Controls Prices

By LAWRENCE SULLIVAN

(On assignment from NATION'S BUSINESS, the author spent two weeks in the principal cities of Canada inquiring into wartime economic controls. He had previously written a series of seven articles on U. S. controls. Mr. Sullivan concludes that at several points we might profit from Canada's experience.)

THREE FACTORS distinguish the Canadian price-control program in the eyes of the U. S. observer.

First, wage increases are tied effectively to changes in the living-cost index, each point increase in the Dominion living-cost index justifying a temporary "war bonus" of 25 cents a week in industrial wages.

Second, the 70 commodity and service sections of the Wartime Price and Trade Board are administered directly by men appointed from the business community.

Third, Canadian administration seeks to release every impulse to voluntary compliance, resorting to rigid control of retail transactions only in extreme cases.

Because the national spirit thus is mobilized behind the entire scheme of emergency war controls, there is far less grumbling, seldom a display of harsh administrative crack-down, a broad confidence that only necessary steps are being taken at Ottawa, and those administered competently, with no admixture of textbook theory looking to the reorganization of the national economy after the war. The keynote of this voluntary compliance program was reaffirmed by Donald Gordon, Chairman of the WPTB, in an address at Toronto on August 14.

"A price control policy is a cooper-

ative undertaking. It needs competent and determined administration; but above all it requires public support and understanding. The enforcement of this policy affects such a wide variety of the customary freedoms of the individual that it would be impossible to make it work solely by regulation and coercive administration."

During the first four years of World War II the Canadian cost-of-living index increased 18 per cent, as com-

pared with 30 per cent in both the United States and Great Britain. Yet Canada this year is diverting approximately 40 per cent of her national income to war expenditures; about the same, proportionately, as her two great partners. Her industrial production has expanded, from the prewar level, by about the same percentage as in England and the U.S. Nevertheless, Canada currently is deriving 63 per cent of her war outlay from direct taxes, and 21 per cent more from the sale of government securities to individual and institutional investors. Only 16 per cent of her war budget is being financed by the inflationary sale of bonds to banksabout the same as in England, but considerably less than the

Canada launched her price-control program on Sept. 3, 1939, with establishment of the Wartime Price and Trade Board under the Minister of Labor. Authority for this executive action flowed from the War Measures Act of 1914. After a conference with

U. S. percentage to date.

the Attorneys General of the several provinces, the powers of the WPTB were expanded considerably by a second Order in Council, Dec. 5, 1939. This order authorized the licensing of dealers and processors and the establishment of fixed maximum prices and markups on a selective basis. While penalties up to two years' imprisonment and \$5,000 fine were provided, the Price Board from the

outset emphasized the ideal of voluntary compliance. Prosecutions in one six-months' period numbered only 16.

Between the outbreak of the war in September, 1939, and December, 1941, a period of 25 months, the Board fixed prices on only four items—wool, sugar, butter and rents. In this interval, price controls were based "upon the organization of supply."

Underlying this broad policy was the overall program of the Minister

A PRICE control policy is a cooperative undertaking. It needs competent and determined administration; but above all it requires public support and understanding. The enforcement of this policy affects such a wide variety of the customary freedoms of the individual that it would be impossible to make it work solely by regulation and coercive administration.

Donald Gordon, WPTB Chairman

of Finance, as set forth in September, 1939. This program contemplated an expansion of credit to the point of full employment of national resources and manpower. But—

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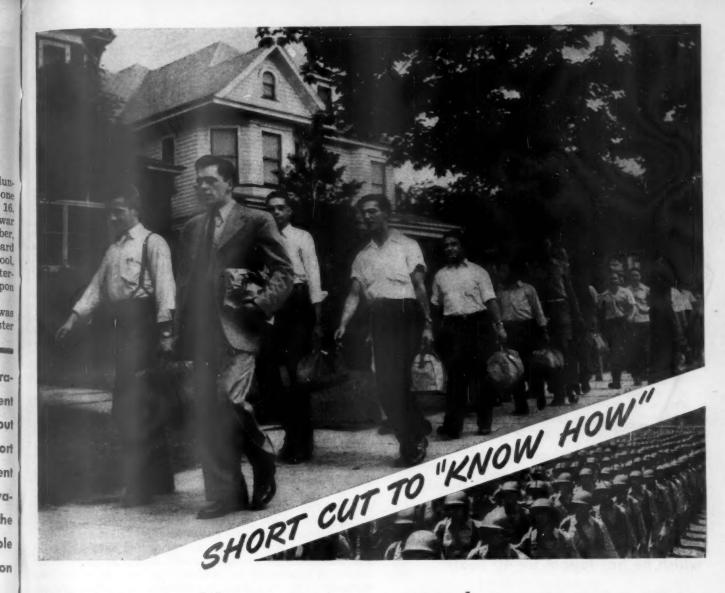
"With an economy at full production and employment, the only result of expanding money and credit is to raise prices without increasing production. At such a point commences the cumulative spiral of inflation, with all its deadly consequences to the economy."

By the spring of 1941, Canada had reached full employment. Between April and November, her cost-of-living index rose by as much in seven months as it had during the previous 20. This was due in considerable part to the steadily rising price movement in the United States.

The beginnings of an inflationary spiral were becoming evident. During (Continued on page 103)

OF WHAT use is it to labor, to agriculture, to the shopkeeper, or any person, to obtain more money if the purchasing value of money melts faster than the additional amount received?

Donald Gordon, WPTB Chairman



With time-saving, life-saving movies....outgrowth of Rodals's pioneer Teaching Films....the Army and Navy are giving millions the "know how" of war

HISTORICAL NOTE - Back in 1923, having perfected "safety" film - making classroom projection practical-Kodak made available 16-mm, movie cameras and projectors... and shortly afterwards pioneered a program of teaching films for schools.

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Pur yourself in the boots of one of these young men. You've been accepted for the Army or Navy. What do you know about this war of 2,000horsepower aircraft motors . . . Bazookas . . . submarine detectors?

Our Army and Navy Commands realize this lack of experience. They know that you may go up against battle-wise troops or ship crews or flyers.

They have done the worrying for you. They will turn you out a better manmore competent in the use of your weapons, abler to take care of yourself - than any "trainee" who ever went before you.

TRAINING FILMS are a great and growing part of their system. The Army and Navy have made thousands.

Don't get the idea that you're just "going to the movies," though. These movies are different. Each teaches you to do a part of your job in the Servicedo it exactly right.

Maybe it's how to dig a foxhole. Or inflate a rubber life raft. Or take down and reassemble a 50-calibre machine gun. Or-bake a batch of bread . . .

In an Army and Navy made up largely

of "specialists," thousands of films are not too many. (Kodak is a major supplier of film for these pictures-one big reason civilians are not getting all the film they want.)

You'll see battle, in these training movies. You'll hear it-to make your new life and work "second nature" under all conditions. You'll be hardened ... ready to "dish it out and take it"... up to 40% sooner because of Training Films.

After this war is won, you-and millions like you who have learned so much, so easily, through training films-will want your children to learn the Arts of Peace this way.

Teaching through motion pictures and slide film-steadily growing in importance during the twenty years since Kodak made its first teaching films available-will really come into its own . . . Eastman Kodak Co., Rochester, N. Y.

Serving human progress through Photography



hundreds of REA cooperatives cooperate politically.

By JOHN

a Battle-Axe

CARLYLE

It is at this point that he has stubbed his toe. Or has not stubbed his toe.

The members of the REA cooperatives enjoy the benefits of the light and power they are getting, and for which they are paying with their own money. But they are all farmers and the farmer is notoriously independent. When Mr. Slattery tells him, as he has done in at least one instance:

"You cannot have such-and-such a man as manager of

your cooperative because I do not like

Then the farmer is likely to rear back on his haunches. Mr. Slattery would have the cooperatives buy and sell everything cooperatively that they need. But most of the 1,345,000 members also belong to various farm organizations, which suspect that electric light and power cooperatives might impair their political bossingpower. The small town storekeepers and taxpayers look on the prospect of storekeeping cooperatives with something less than favor. An NRECA was recently formed-National Rural Electrification Cooperatives Association-to provide cooperative insurance to the REA's. Slattery won this fight, for the NRECA has abandoned the attempt to handle REA Co-op insurance through mutual companies.

These things created schism at once. Those who look on from the sidelines think that, if it can be composed, Mr. Slattery will hold on to his job. He has been one of the most able

advocates of publicly owned power as opposed to privately owned and taxpaying utilities for almost 40 years. If he can show that his combination of public power believers plus a controlled REA is of more value politically than the combination of the NRECA, the offended farm organizations, and the keepers of small stores, he will hold his job. If the opposition promises a greater nuisance value, then Mr. Slattery will go out.

Mr. Slattery is a kind man, gentle and devoted to the public good as he sees it. He would not willingly resort to an unorthodox hold in clinches.

Still, he plays to win.

He has an abiding faith in the innate goodness of his fellow man if the fellow man is on his side. The personal Slattery, as distinguished from the political Slattery, is a modern Peter the Hermit. No one who knows the man could possibly credit a charge made against his character. Mud simply would not stick.

If he is ousted

IF he is ousted, he will maintain that he has again been martyred by the Power Trust. He will believe this. He will be propped in his belief by Judson King, one time chief of the Hell Raisers, an informal organization which finally had to enlarge its field of hell raising so members could raise hell with each other.

Among them were David K. Niles, now a presidential sub-secretary and political promoter; Paul Raver, administrator of the Bonneville Power Administration; David E. Lilienthal, chief of the three man board which operates the Tennessee Valley Authority; Morris L. Cooke, who set up REA but soon split away from Mr. King; and John M. Carmody, who succeeded Mr. Cooke. Sentimental associates were Senators George W. Norris and Robert M. La Follette;

(Continued on page 57)

NATION'S BUSINESS for October, 1943

HARRY SLATTERY, REA Administrator, has a high regard for his fellow men, except private power companies which he has fought for 40 years

ARRY SLATTERY, administrator of the Rural Electrification Administration, may be on his way out. He may not be on his way out. The affair is in the laps of the politicians. If he goes out, he will probably land in another \$10,000 a year job.

But this prophecy may be under-

If he goes out he will go out screaming. Mr. Slattery is a paradox. He will scream in a soft, low, almost sacerdotal tone liberally interspersed with language. He is as sincere and kindly a man as ever held an antagonist's head under the pump. He loves his fellow man—always barring the utilities—but if his fellow man seems unworthy of his love Mr. Slattery may arrange to have his gate swiped on Halloween.

He is so unambitious personally that he once gave up a newborn law practice because he thought \$40,000 a year was more than he should make. In promoting his fight against the privately owned utilities, he has tried to make the 1,345,000 members of the

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Capital Scenes ... and



A calm voice from Rosehill

THE Congressman has come back to Washington full of reflections and philosophies. Out in Rosehill-in the Western Reserve-people are calmer than the folks in Washington. They do not bite their lips so much, he says. Hereabouts they are afraid that we will lose some part of our sovereignty, and maybe go to wearing knee breeches to the movie first nights, and like as not put some kings and queens on lend-lease pensions.

"They know better out in Rosehill," says he. "They get a kind of long shot

at things out there."

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The only people in Washington who are not mumbling about trouble with Russia and Mr. Hull and Mr. Welles are those who are sucking at fever ther-mometers. "In Rosehill," he says, "the folks are beginning to kind of smell Power Politics in the air, and they do not want any part of it, and when the time comes they will put their heels down on it. There is a solid quality in American democracy that is mighty impressive when you go where it is. Like in Rosehill."

Maybe they are wrong

THEY do not aim to have their boys kept over in Europe while Power Politics is being played. They do not see any

100000

reason why we should have any trouble with Russia. They think Russia has done a mighty good job.

"What if our ideology does happen to differ a great deal from the Russian

ideology?" asks the Congressman.

"I'm only using that word to show I am an educated man and keep abreast of the funny pieces in the papers. My folks in Rosehill don't care whether Russia has an ideology or not. We were raised on the old-fashioned idea that a man has a right to pick his own church and his own ticket. Let the Russians have fun."

The folks might be wrong, he says. But he remembers that when the armistice was signed in 1918, a couple hundred thousand American soldiers started on one-man tours of Europe. They called it going A.W.O.L. The war was over and they were through.

Bologna is still bologna

"OUT in Rosehill," he says, "maybe

parts, but they're kind of practical. They think it would be silly to fuss with a useful friend over states we cannot even pronounce. And they do not know what cards are being slipped under the table.

'They favor letting the Europeans skin their own snakes. Out in Rosehill they do not agree that we got into this war to make the world any better. If it is as good a world after the war as it used to be, they will be satisfied. We do not want to shake up the map of Europe, either. We are fighting-they think because we were attacked. We'll quit when we have kicked the slats loose in Germany and Japan."

Anyone who thinks Jim Smith of Pink Creek can be held in Europe while the pie is being sliced is forgetting to reckon

with Jim's old man.

Every man a President

THE Congressman thinks the domestic situation is being cleared up. Fifty-odd professors who were

regional leaders for the OPA are getting a drink out of the black bottle.

"Some of them really knew a little about business," he says. "The system was

wrong. You cannot run as big a country as this from one spot in Washington. Hell of it is the professors keep popping up in other places.

Every one who had a private secretary and a pad on his chair acted as though he were president," he says.

And another thing: "It looks like Secretary Hull has started a clean-up. He clean lost his temper."

Now it's up to Hull

"SO MANY people and bureaus had been putting fingers in the State Department's own pie that Hull got the blame for the mess. So he cleaned house. He did not say," says the Congressman:

'Welles must go or I will.'

"He said, 'Welles must go.' '

Along with Welles other honest, sincere, glad-eyed trouble-makers of high and low degree have been dropping out of other places in the Government. Welles will have other comrades in the wildwoods, for Mr. Hull's eye appears to be sot. The net effect was to center attention on the wisdom of coordinating operations and policies.

If there is not a further tightening up, the Congressman will be disappointed. folks are not so high-minded as in some He thinks Elmer Davis is apt to say

goodbye to the OWI before long. He would not be sure that Mr. Hull is after what scalp Mr. Davis has left. He merely would not insure that scalp.

Hull is left on a spot

SECRETARY Hull, says the Congressman, has been taking the blame for everything the public thought has gone wrong in the State Department. In cold fact, the current President has always made the policies. The Secretary of State has always been charged with carrying them out, and sometimes changing hard words into protocol language. Mr. Roosevelt and Mr. Hull have not always

"Now they must agree," says the man from Rosehill. "From now on Mr. Hull will have his own State Department. But if he cannot see eye to eye with the President on a policy, then Mr. Hull

must go."

Mr. Hull, for example, has never wished to play Power Politics. He thinks if we make it easy for an European power to trade with us, we will have done enough. He would not be a map-maker. But if the President found reasons for righting old wrongs in Europe, the Tennesseean would be out on a limb. This is about the worst time in history for another shake-up in State.

If Hull wouldn't play?

HIS father, says the Congressman, once had a balky mule on his farm just outside Rosehill. His father split a bullet and hammered a string down in it and tied the string to the mule's headstall. When the mule balked, said the old gentleman, his father dropped the bullet in the mule's ear.

"After that, the hard thing was to

get the mule stopped."

The Congressman thinks Hull has been pulling the State Department toward postwar trade relations and good humor by yanks and twitches. Sometimes he got discouraged and balked. He is tired and not very well and kind of oldfangled in his ideas, and the sounds of the young folks planning to set up

super-governments and AMGs and world soup kitchens and advice centers distresses him. If he has gotten completely turned around-following the Welles' episode-and is headed away from



these new theories about feeding and financing and guiding and loving the Old World, nobody, says the Congressman, had better drop a bullet in Mr. Hull's ear.

All for world peace

HE thinks that Mr. Hull-like the folks out in Rosehill-is set on finding some way to preserve the peace of the world after we have won this war. Up in the Tennessee mountains, a man used to tote a gun when he went into a strange neighborhood, to make sure that he



The American railroads are answering that call. They are moving approximately 30,000,000 pounds of food a day for our fighting men, more than 1,000 carloads of food a day for our fighting Allies, and most of the products from farms and processing plants which feed the millions of us here at home.

The Norfolk and Western Railway serves a great cross section of the nation's rich agricultural storehouse. Throughout this fertile region, farmers are producing and plants are processing an ever mounting volume of food. The Norfolk and Western serves them . . . with pride . . . for the fruits of their labor is a mighty weapon of Victory and Freedom.

TOMORROW . . .

When Victory is won, agriculture and industry in N. & W. territory will play an important part in establishing peace and progress. Write the railroad's Industrial and Agricultural Dept., Roanoke 17, Va., for complete information about ideal agricultural and industrial locations.

Horfolk
and Western
Kailway
PRECISION TRANSPORTATION

BUY MARE WAR BONDS

wouldn't be put upon. It wasn't considered good judgment just to carry a bundle of money and some orations.

"And another thing," says the Congressman, "they used to say the President preferred to listen to Sumner Welles because he was sharp and concise. Lots of times Mr. Hull is kind of wordy and rambling. But you ought to hear the old gentleman when he gets riled. He can pack a whole declaration in five words."

Secretaries Hull and Jesse Jones, he thinks, have more friends on Capitol Hill than any other two men in the Administration. If they both got bullets in their ears they would be hard to head.

How long will the war last?

MILITARY men think Germany can hold out until the autumn of 1944. There is no reason at present to hope that the

German civilians will break. The army must first be defeated, just as in 1918. They're a tough people.

"It may be months before we can drive them out of Italy," says a very high au-

thority. "More months must pass before the Allied armies can be ready for the big smash into Germany. The moving and massing of millions of men and tons of material is a long, complicated and toilsome operation."

Before the German army can be broken, the Luftwaffe must be destroyed. The enemy's air defenses are growing more formidable daily. Not until that has been done, says the authority, can the Allied land forces move in for the K.O.

A sample of the secrecy

THE Government has issued "occupation money" for use where the armies have made their footing secure. No one knows much about it. Congress did not authorize it. Its only backing is the guaranty of the U. S. Treasury, and the country has not yet been told how many million dollars have been issued.

The British have been provided with this money for their purposes in occupied lands, and no statement has been made as to the sums involved, the arrangement for repayment—if any—or the overhead control. These matters are presumably handled by the ultra-secret Allied Military Financial Administration.

AMFA is hush-hush

MAYBE there is no such thing. The information came from a high official of our Government who had been talking with representatives of the AMFA.

"That's all I know of it," says he.

The British agency of information had never heard of it. The Treasury, through its accredited agency knew nothing of it, but suggested the War Department be interrogated.

At the War Department, the officer

who should know said that all he had heard were the initials—AMFA— c_{00} , pled with the order that he lay off. No one said it was a military secret.

Voice from the tomb

THE Congressman says he is constantly being dismayed by the long memories people have. Years ago there was a



\$30,000,000 dream called Passamaquoddy up in Maine. Ocean tides were to turn a lot of wheels and defy some natural laws and presently Passamaquoddy was to be a thriving manufacture.

ing village. One of the loveliest colonic on earth was built on the hillside. Panelled pine, log fireplaces, concealed lighting.

"Back in Rosehill, they kept pestering me about what happened to Passamaquoddy. So I found out."

The Seabees, which is an organization of hardy men in the Navy—their business being to break down jungles and put up docks in the surf—have been told to fix up the cottage mansions of Passamaquoddy so they will not fall down. No one knows what may come next.

Some things are certain

THE men who for the past ten year have been trying to make over the United States are as active as they ever were, in spite of the war. They are a bit tired, and somewhat discouraged, but they still have plenty on the ball.

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Congress has toughened toward them,

Faced with increasing tax bills and mounting costs of domestic administration, several of the leaders are looking over the various hydro projects paid for by the Government in the hope that they might be somehow returned to a tax-paying status.

They admit the prospects are not encouraging at this time, but anything may happen, of course, when victory has been won and when we settle down once more to the unexciting business of getting out of debt.

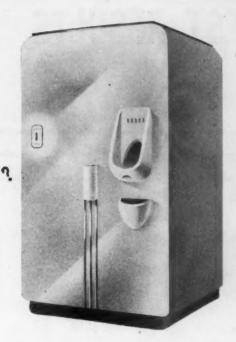
Anyone think we can't?

THOSE who fear that the debt tied around our necks will drown us if we ever fall into old-fashioned prosperity are invited to examine a few facts.

The Federal Government pirated so many states' rights a few years ago that states began to look like churchyards. Full of tall grass and the departed. The Federal Government was able to do this because the states had overspent themselves.

When Santa began to take money out of his bucket on the corner instead of jingling his bell for some one to put money in, the states leaped for it. They are learning better. Most of them are in good financial condition. They have reduced their debts and some are paying

WHY SELL SIGHT UNSEEN?





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WHAT'S SO SECRET ABOUT A DISPENSING MACHINE?

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Must a dispensing machine be only a dispenser?

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Why not make it a *selling* machine? Make it a magnet for the nickels, dimes and quarters that automatically release the soft drinks, confections, cigarettes, handkerchiefs, sandwiches, fruit, golf balls, cosmetics or other products that may be for sale.

How? With glass, of course. Modern Libbey Owens Ford glass. Take advantage of the unequalled transparency of glass to display the merchandise attractively . . . to dramatize the dispensing mechanism in operation. Capitalize the modern properties of glass to protect the merchandise—keep it fresh or new, appealing or appetizing.

If the dispenser must be refrigerated, there is modern glass that insulates. If fading of the product is a factor, there's glass that will provide protection. If excessive heat from the sun is harmful, there's heat absorbing glass. Then there's safety glass, decorative glass, and a tempered glass that's stronger than many metals . . . in fact, there's a glass that answers practically every problem.

You can obtain glass in flat sheets, bent shapes, or laminated to another material. You can have it colorful, or color-free. Your name or sales slogan can be permanently etched or coated on its glistening surface.

The use of glass in a dispensing machine is typical of how glass can be employed to make any product or structure better, more efficient or salable.

Possibilities for the use of glass today are practically limitless. While research has multiplied its useful qualities, keep in mind its natural characteristics: one of the most chemically stable of all materials; more dimensionally stable, too; surface among the hardest and smoothest in the world; nonporous; acid-resisting; unusually resistant to abrasion; unequalled weathering qualities.

Perhaps glass fits your product or plant. Won't you write us about any use that interests you? That's the way to really find out. Libbey Owens Ford Glass Company, 14103 Nicholas Building, Toledo 3, Ohio.



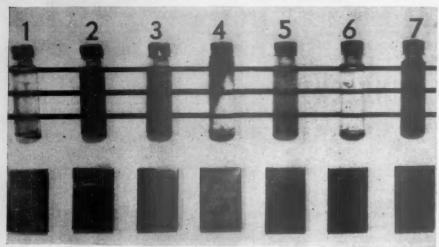


LIBBEY. OWENS. FORD

A GREAT NAME IN

IN Glass

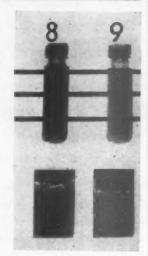
TEST RESULTS ANTI-CORRODE vs. Competitive Products



From an unretouched photograph,

To substantiate our convictions that Anti-Corrode is an unexcelled rust-preventive, nine steel strips were cut from a sheet of No. 18 B. & S. deep drawing steel which had been thoroughly cleaned mechanically. One strip, number 6, was dipped in Cities Service Anti-Corrode. Seven others were treated with leading anti-rust compounds, according to their manufacturers' directions. And one strip, number 8, used as the control, was not treated.

All strips were then partly immersed in small bottles of distilled water containing 3% Sodium Chloride. At the end of 90 hours they appeared as displayed above. Each test strip is shown before its bottle of solution. The rust penetration on each strip is plainly evident. The background lines behind the bottles enable comparison of rust density found in the solutions after test. The superiority of Anti-Corrode, number 6, is obvious.



USERS' COMMENTS ON ANTI-CORRODE

"Our castings that have been properly dipped in Anti-Corrode show no signs of rusting after a month's exposure to rain and snow.'

Large manufacturer of filters.

"We are pleased with the test results of Anti-Corrode on our rust problems and will place a substantial order with you shortly."

Manufacturer of special tools and accessories.

"\$8,000 worth of dies were recently ruined by rust. This costly waste of vital materials is now being prevented with Anti-Corrode."

Manufacturer of ballistic dies.

"Condensation of moisture in storage vaults had been rusting our highly-precisioned tools and dies. Anti-Corrode has licked this problem." Manufacturer of precision instruments.



OIL IS AMMUNITION - USE IT WISELY!

OUTSTANDING QUALITIES OF ANTI-CORRODE

Anti-Corrode is harmless to metal. It can be applied by brushing, spraying or dipping, and is a reliable safeguard against corrosion of metals in any form or state of finish, whether in storage or in transit. Anti-Corrode forms a tenacious, durable film that is impervious to moisture and the more common gases present in the atmosphere. Since it contains lubricating material, it need not be removed in drawing operations. It can be removed easily with kerosene or any petroleum solvent.

Tune-in Friday Night "The Cities Service Concert" 8 P. M., EWT, NBC Network.

TAKE ADVANTAGE OF THIS FREE DEMONSTRATION OFFER. SEND THIS COUPON NOW! (Available only in the Cities Service marketing territory EAST of the Rockies.)

CITIES SERVICE OIL COMPANY

Room 1761, Sixty Wall Tower, New York 5, N. Y.

I'd like to test Anti-Corrode on my own equipment FREE OF CHARGE. Please send me the details.

Company___ Address City State. cash. Many of the larger cities have done as well.

At least two governors are excellent prospects for a presidential nomination because they kept their states solvent Those who travel through what Washington calls the sticks say the folks are not afraid they cannot pay off this Milky Way of debt if they are let. If they can just get back to business.

So here's a good omen

ONE reason business has had such a hard time getting along with Washing.



ton is that the bureau bosses have been dietatorial without bothering to get a law behind them. A chief counsel of the SEC once said:

"We make the law." But a congressional committee is be-

ginning to ask how did they get that wav.

Representative Howard Smith of Virginia heads a special "committee to investigate acts of agencies beyond the scope of their duties." Harold L. Allen, who was once a deputy police commissioner in New York, is doing the active investigating of what he calls the "juvenile delinquents" in the Government.

It's an odd fact that, with all the powwow in the last few years about the abuse of administrative law, no one ever thought just to catch the little rascals and hot up their little tails.

A reel of red tape

TO SHOW what a bureaucrat can do when he gets really interested in bureaucrating:

"I wrote the British Museum, enclosing a tuppence-ha'-penny stamp for reply, asking for some information."

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Mr. Philip G. Nordell of Philadelphia was the writer. The American censor returned his letter and directed him to apply to the Philatelic Control Unit in New York for a permit. From the PCU he got four forms on which to declare his past nationality, his present nationality and his age.

He was asked to promise that "no person except myself or a person for whose loyalty and integrity I can vouch would pack or address or dispatch this shipment of one stamp. I must be sure the stamp I send was not issued by any country since the occupation of that country by military or armed forces of the enemy. If the stamp when dispatched is thought to be of aid to the enemy it will be detained by the censor.

It is understood that Mr. Nordell has decided not to send the stamp. Maybe he can get out of a book the information he

Herbert

NATION'S BUSINESS for October, 1943



Copyright 1943, The Pullman Compan

"I'm as sunk as a Jap destroyer!"

"Having a baby is tough enough on a soldier, without it coming ahead of time.



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"So I was plenty excited when I hot-footed it to headquarters after getting that

long distance telephone call.

"The C.O. was swell about it, though, when I asked could I go home. Gave me a furlough quick as you can say "Paratroops", which is what I'm training for. I got a lift in here from camp-feeling grand-but now I'm as sunk as a Jap destroyer because . . .

"I'm stuck! The plane was sold out and the only train home until morning is the all-Pullman Limited-leaving in ten minutes with every bed reserved!

"Now, I wouldn't mind so much, if I was overseas with no chance of getting home—like lots of guys when their babies

are born. I could take that without crabbing, as a part of war.

"What burns me up is that here I am only a few hundred miles away-with a perfectly good furlough-and it looks like I'll stew in the station all night long. That's war, too, I suppose-travel being so heavy-but by the law of averages you'd think that someone with a reservation on that train would change his plans and not be able to use it.

"And this being wartime, you'd think he'd surely cancel it, so someone else could go!

"There's still ten minutes for that to happen. That's why the railroad and Pullman people-who've practically turned this station inside out trying to

help me-said to stick around. It'll be a miracle if I get on that train, but ...



"Miracles still happen! And, brother, that guy who cancelled instead of just

not showing up rates a medal with me!"

Although sleeping cars are loaded to a higher percentage of capacity than ever before, practically every train carrying Pullmans still goes out with unused space due to "no shows" and late cancellations.

So please cancel well in advance of train departure, when plans change, and make the Pullman bed reserved for you available to

BACK THE ATTACK-WITH WAR BONDS

THE GREATEST NAME IN PASSENGER TRANSPORTATION

FOR COMFORT AND SAFETY AS YOU GO AND CERTAINTY THAT YOU WILL GET THERE

Mending Bombers' Wounds

By GRACE ERNESTINE RAY

LAST January, the "Ice Box," Flying Fortress, taking off in Pueblo, Colo., had a small dispute over right-of-way with a tractor. The pilot avoided a collision but the bomber blew one of its huge tires. Once in the air, the pilot radioed his predicament.

"Go to Oklahoma City to land," they told him. "That will avoid the necessity of picking up the wreckage and shipping it there later."

The pilot found the Oklahoma City Depot ready. Ambulances, fire trucks and cranes were set for emergency action as he neared the field. But he put the "Ice Box" down so gently that mechanics had it on its way overseas in record time. Another Fortress which recently made a belly landing there was put back into action in less than a week.

So efficient has the Sooner City crash crew become that officials use this slogan:

"Come to Oklahoma City for your belly landings."

Although the Oklahoma City Depot is one of the newest, having been established January 15, 1941, it is the largest air depot in the allied world. Its buildings represent an investment of \$28,000,000, and this will be raised

AS CASUALLY as you drive to the corner garage, war pilots fly from all over the world to Oklahoma's Tinker Field where experts put new life into old planes

to \$30,000,000 with completion soon of a new freight terminal. Its civilian and army personnel is increasing daily. Its supply stocks of 194,000 separate items are distributed by railway, truck and cargo plane to every allied airfield.

with about \$1,000 for a first-class army horse, sword, rifle and side arms in Civil War days. The maintenance of these modern steeds is as essential as the manufacture of aircraft or the training of pilots. If a pilot on the battle front can't get a wing-part in a

Without such establishments as this and the other ten air depots in the United States Air Service Command, the Army could not "keep 'em flying." The United States Air Service Command, with the double function of maintenance and supply of the Air Forces through its depots, has become the biggest business concern in the United States from the standpoint of capital investment and number of employees.

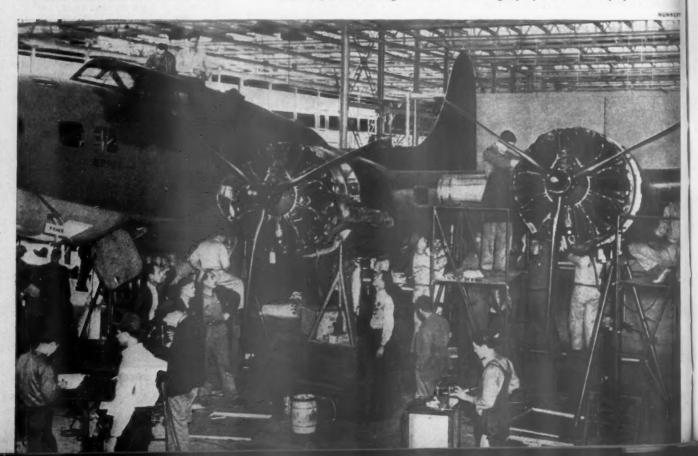
Air warfare is conducted with expensive weapons and equipment. Modern warriors ride four-engine bombers costing \$250,000 as contrasted

with about \$1,000 for a first-class army horse, sword, rifle and side arms in Civil War days. The maintenance of these modern steeds is as essential as the manufacture of aircraft or the training of pilots. If a pilot on the buttle front can't get a wing-part in a hurry after his plane is shot up, if he has no machete to cut through the jungle after a forced landing, or if he has to make a raid over the Aleutians in winter without electrically heated gloves, his individual battle for freedom may be lost, and each of these trained pilots is precious in the present war.

Under the Air Service Command the battle-scarred planes are not only repaired quickly, but plane parts, fliers' clothes, cameras, guns and other articles are rushed to the front

"Get the stuff where it's needed," was the slogan adopted by the Okla-

Removing a B-17 engine in 38 minutes is possible when the crew has experience, organization and highly specialized equipment



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Southern Cooking

THIS is "Southern Cooking" . . . Victory style. It turns out a highly-seasoned dish. And the recipe is no military secret.

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The result? Southern steel mills, shipyards, textile mills, airplane and chemical plants, industries of every sort . . . turning out the weapons of Victory in an ever-increasing stream!

Yes, the growing industrial might of the South today is concentrated on the grim task of winning the war.

And day and night, over the steel network of the Southern Railway System, move the troops and weapons and war materials that will hasten the day when free men once again can turn to the pursuits of Peace.

And when that day comes, "Southern Cooking" . . . Victory style . . . will be ready to supply the builders of the brighter world that surely lies ahead.

Ernest E. Rossis

SOUTHERN RAILWAY SYSTEM

The Southern Serves the South

homa City Air Depot under command of Col. William H. Turnbull, soon after its establishment, and the same slogan fits operations under the new commandant, Brig. Gen. Arthur W. Vanaman, who took charge March 20, 1943.

The exact number of combat planes repaired is a military secret. However, the general facts about how the Air Service Command operates can be explained, and admission to the depots is granted to any one who has business there, can establish his loyalty as a citizen, and is willing to "sign his life away," thus relieving the Government of responsibility in case he happens to be under foot if an accident occurs.

Since the Oklahoma City Depot has been picked officially as the nation's model, a good conception of the Air lets. On another dock rested "Rosemary," a sweet little ship with a sweet little name, but her cannon wounds attested that she was no more gentle than "Hunk O'Hell."

Planes of all kinds

DOWN the broad expanse of repair hangars, numbers of giant bombers dominated the scene, but there were also twin-motored bombers. There was a B-25 North American, the type General Doolittle used on his Tokyo raid. It appeared to be about ready to go back into battle, its .50-caliber machine guns mounted in turret, nose and rear, and all equipment in place for its crew of five. There was also a Mitchell Marauder, the twin-engine medium bomber with operating speed of more than 300 miles an hour. There

other P-40 needed repairs to the control cable and wires. A fighter presented a somewhat disrobed appearance without her engines, propeller and tires.

I saw .30- and .50-caliber machine guns and cannon that had been repaired and re-installed. Fire power of the planes varied in extent and location. There were guns on wings, turrets, tails, noses, sides, or synchronized with propellers—depending on the planes' styles in sudden death. There were censored kinds of battle instruments, and one plane which appeared to be closed bore the warning, "KEEP OUT," in letters six inches high.

Inspecting a Fortress from the pilot's seat, I was gratified at the thick armor plate added at the suggestion of a pilot who had taken it



The depot carries or repairs exerything an air fighter needs. These .50 caliber machine guns will be reconditioned, tested, reinstalled and—if need be—loaded before the plane leaves

Service Command can be obtained from its routine.

On an average day in June, 1943, as I entered the main unit of the hangar department the first thing I saw was the "Hunk O'Hell," waiting on Dock 4 while her four engines and propeller were overhauled. Nearby sat "Sagebrush Beulah," another Fortress. Beulah's "skin" was being riveted, wing sections were being replaced, and she was undergoing general overhauling. Looking closely, I saw that she bore pock-marks of bul-

was a P-51 Mustang fighter. There were C-43 and C-54 cargo ships in for a tune-up, and while I was marveling at their power, a huge cargo bird alighted outside.

The fighter planes had not been bunged up on the battle fronts. Short-range planes are repaired abroad, but the Oklahoma City Depot does all the overhauling in a five-state area for ships damaged in training schools or on routine flights.

There was a P-40 with a wrecked nose, damaged in a bad landing. An-

through action. War pilots, returning to the depot, appraise officials of any idiosyncrasies of individual craft, as well as its performance record. Aided by these reports, the Air Service Command loses no time in adding latest developments in armor and armament.

While I was there one Fort came in from Africa. The crew looked tired but happy, because furloughs were ahead. But they were a quiet lot!

"Yes, glad to get home," "Sure, wanta hurry back and finish the





Manufacturing for War

The manufacture of aircraft equipment for the Government and the manufacture of Burroughs figuring and accounting equipment for the Army, Navy, U. S. Government and the nation's many war activities, are the vital tasks assigned to Burroughs in the Victory Program.

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BACK THE ATTACK!

As a noteworthy instance, 700,000 different items of equipment and supplies in varying quantities crammed the convoys that carried American armies to conquest in North Africa—250,000 different items of ordnance; 100,000 different Engineer Corps articles; 68,000 different items of medical supplies and drugs; 10,000 different items for the Signal Corps; 390 different articles of clothing.

Countless hours of planning and figuring, as these statistics suggest, are essential in establishing the types and quantities of items needed . . . amassing them at the assigned embarkation points . . . dividing them strategically among the ships, to minimize the danger of crippling loss of any one item.

Allied superiority in the science of supply is increasingly obvious day by day. To the vital figure work involved, Burroughs adding, calculating, accounting and statistical machines bring a speed and an accuracy indispensable to the magnitude of the undertaking.

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Sure we're a powerful nation. Certainly we've got tremendous industrial facilities. But all that power . . . all those machines . . . can't win the war for us—won't give that boy whose service star hangs in your neighbor's window the materiel support he needs. No, not unless the brains and brawny hands of those who operate these machines run them at full-speed full-time.

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war!" were the longest sentences. Serious for their years. But I was told that some of them wisecrack brilliantly on tension before raids.

About 35 per cent of the employees in the depot are women, and executives hope to raise this to 60 per cent, because, even in this essential work, all men except those classified as key employees are subject to draft. Since 98 per cent of the employees are civilians working in civil service status, many of them will soon be soldiers.

Most of the employees who work on the wings are women, serving under male supervision. Girls can do the light riveting work easily.

Girls also serve as messengers, dashing about on motor scooters. They could never cover the ground on foot, because the place involves 2,400 acres. A neat khaki suit uniform with overseas cap has been adopted for the girls, but it is not compulsory, and many of them say they do not wear it because it is too warm in the Oklahoma climate.

Astounding efficiency

ALL plane parts which cannot be repaired "on the line" in the hangars are detached and sent to Sections quarters. Radios (there are as many as four on some bombers) are handled in their own Section.

Running full blast 24 hours a day, seven days a week, the depot attains astounding efficiency. Time-saving devices are numerous. A locally fashioned blower made of spare parts dries the insides of the 410-gallon self-sealing auxiliary fuel tanks in a fraction of the time formerly needed. Hydraulic jacks raise the 600-pound main struts of heavy bombers and are adjustable for use on cargo planes. The Propeller Section reworks propellers, doing everything including blade straightening, with such speed and efficiency that the department can truthfully boast:

"The boys have never yet had to holler for a prop to get a ship back into action."

The mechanics are fast. Recently a five-man crew removed an engine from a B-17 in 38 minutes. Speed in overhauling is attained by organization. For disassembly, the engines move on huge dollies, and smaller parts are put into baskets carrying numbers corresponding to tags on larger parts, so that each engine is maintained to a large extent as a unit. Some overhauled engines consume less oil than they did when new.

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The test building has what is claimed to be the nation's largest man-made weather unit. Its test cells can be changed from 100 degrees F to 40 degrees below in six minutes, with any degree of humidity desired. With this apparatus, the depot can be sure that a plane will function properly whether it is sent to Iceland, China or the South Pacific.

The armament repair section, with more than 150 employees, is one of the largest of its kind in the country. Guns are regularly taken out of planes, repaired, tested and re-installed in six



THEY SMASHED THROUGH SICILY ON PAPER!

There would have been no Africa campaign ... no smashing drive through Sicily . . . if it hadn't been for paper.

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For the army fights with paper. Shells come to the front in individual paper cartons. The gun powder that propels these shells is largely made from paper stock. Food and medical supplies are shipped in paper cartons. Soldiers keep warm in paper clothes . . . protect themselves with paper camouflage . . . often get water through water mains that are made of paper!

And the army travels on paper!

That's because thousands of tons of maps are needed to win a war... proceed with one campaign... win a single skirmish.

So to waste paper now is tragic... actually an act of sabotage. To help save paper is the patriotic duty of every true American. And to use less paper is even more important than to

save it. For the paper we don't use conserves both labor and material . . . not only at the paper mills but back in the woods where today there is a serious man-power shortage.

Hence there are two things to do. One is to save all waste paper... excepting waxed, oiled or tarred... for collection. The other, use as little paper as we can. That's the American way... a "Home Front" job that will help speed Victory and win the war more quickly.



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hours. The "pin-up girls" (pilots' names for parachutes), seat cushions, life rafts and oxygen tanks are dealt with in the same spirit and style

same spirit and style.

The test pilots' department has the almost phenomenal record of no injuries in the 18 months of operation thus far, even though the 15 pilots may be called upon to fly any of the 50 or more types of aircraft now in service with the Army Air Forces.

Sun glasses to cannon

MAINTENANCE of planes is only one of the two main functions of Air Depots. The other is supply. The supply unit with 38 buildings handles everything from colored landing lights to 16-ply tires, wings and ailerons; from desert sun glasses to electrically heated flying suits; from lead pencils to air cannon.

Today there are a minimum of four daily scheduled air freight flights from the Oklahoma City Depot but, when the new 180-by-230 foot air freight terminal is finished, the depot will handle a flight every 12 minutes.

All railways serving the state have spurs running into the depot, and huge motor trucks roll 16 hours a day, carrying supplies to Stockton, Miami Beach, Wichita, Tulsa, New Orleans, Tampa, Coffeyville, Sheppard Field, Tacoma, Philadelphia—or wherever planes are operated. Nine trucks have maintained a record of moving more than 1,500,000 pounds a month.

The Reclamation Section at the depot

dismantles damaged craft which are more than 75 per cent irreparable. Parts are added to the depot's supplies.

A hotel for transient pilots with a capacity of 500 is located in one of the hangars, so that a crew may go to bed at ten p.m. and be on their way the next morning by five. Since several thousand planes a month now stop at the depot, and the number is constantly increasing, this capacity is not excessive.

An important subdivision of the depot is the Plans and Training Department, where workers are trained for the Oklahoma City Depot and its 35 sub-depota. The training division now has 2,000 civilian students, a number soon to be increased to 2,500. A large percentage of these are women, ranging in age from 20 to 50. The training period varies from a week to three months.

About 3,000 enlisted men also attend training school, spending from a few weeks to a few months preparing themselves for engine and aircraft maintenance at home and abroad.

Not all of the reclamation work done at the depot is connected with planes. Part of it is effected on physically handicapped individuals who reclaim themselves by filling defense jobs. The man who runs the film projector has both legs off at the hips, and a deaf girl operates a noisy machine in the reproduction department which would unnerve a person who could hear. A woman in charge of the film library is blind, and her husband, also blind, teaches mathematics and physics.



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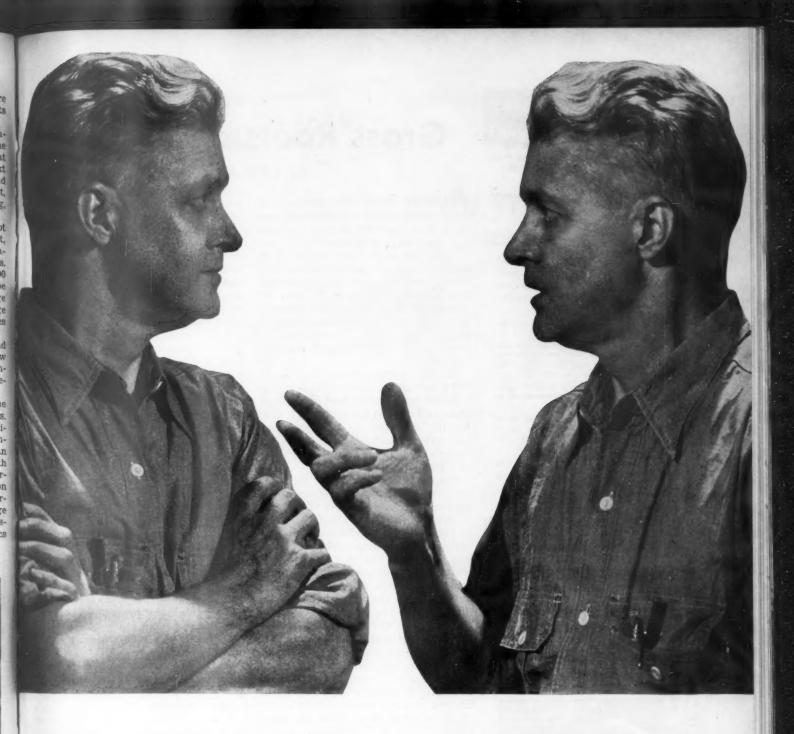
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This first all-girl engine repair crew was so efficient that others were added. Sixty per cent of workers will soon be women

NATION'S BUSINESS for October, 1943



Face to face with our toughest customer

Leave it to the members of your own family to tell you things you should know about yourself!

So it has been for years, here at P&H, where the maker of arc welding equipment is also one of the country's largest and most diversified users. In substance, we are our own most complex—and toughest—customer.

Day in and day out, for years, we have lived with the practical applications of welding in the manufacture of excavators, overhead cranes, electric hoists, and other products fabricated almost entirely by arc welding. It is natural that the manufacturer's viewpoint has been strongly guided by the user's interests.

And it is not surprising that so many of the outstanding improvements in welding machines and electrodes, as well as in welding techniques, have originated here in a plant which ships thousands of tons of welded products each month.

Among the most important new developments available to vital war industries, is a system which provides accurate controls over production welding. Executives interested in full information should write us.



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AMERICAN PHOTOCOPY EQUIPMENT CO. Fight WITH WAR BONDS

Grass Roots on the Job

By LEO KOLL

ALMOST from time immemorial, planning. Fortunately, Congress has local organizations of business men have been perfecting and carrying out long-range programs for the betterment of their own communities. But now come planners from far afield with "ideas" that the local communities should "look ahead"—and, because they label their ideas "postwar planning" and "win-the-war suggestions." they seem to think they are proposing something new, startling and different.

In the postwar planning field alone, 143 national and international groups -not to mention the host of regional, state and district agencies-are seeking to "organize the business men" for various purposes. Invariably the organizing is done from the top down and from the inside out.

Some of these efforts to put a bureaucratic finger into the strictly local pie are merely variations of schemes which have previously been proposed and defeated. In the Hoover Administration, it will be remembered, a plan was advocated for setting up (at the Government's expense) some 70 centers of business information where business men could get help and information on any subject desired. The proposal was killed.

Within the past year, a similar bill was introduced to provide \$10,000,000 to expand the field offices of the United States Bureau of Foreign and Domestic Commerce—to enable the Bureau to study the problems of the small business man. This, too, was

From the top down

INDICATIVE of the trend in planning from the top down is the Citizens Conference on Planning held in Omaha, June 14-16. Of 57 speakers listed in the preliminary program, 26 were members or heads of federal bureaus. mostly from the National Resources Planning Board. Sandwiched into the program on the second morning were 14 official representatives or executives of State Planning Boards. Each of these representatives was allotted five minutes to "report" on planning in his own state.

Considerable time was scheduled for selling the 450,000 word report of NRPB with its suggestions that government ownership is the logical answer for everything in postwar denied NRPB further money.

Under the guise of winning the war. the Citizens Service side of the Office of Civilian Defense is persistently encroaching on business men's organizations. Publication No. 3601 includes an enlightening chart showing the services the organization pretends to offer. Included are: salvage, transportation, nutrition, recreation, consumer interest, services for service men, health and medical, welfare and child care, housing, education, libraries, war savings, agriculture, plant utilization, labor supply and training, and others.

Worm's-eye view

IN MOST instances, existing organizations with a little coordination could readily have handled these local affairs. Moreover they could have handled them without the loss of executive man-hours that goes into the needless forming of new organiza-

A worm's-eye view of this situation from a secretarial desk on the local or community grass-roots level shows clearly the many problems the average business man must face if he is to preserve the independence of his own organizations:

1. How to coordinate on the local community level the activities of these many new groups filtering in to organize his community.

2. How to overcome the dilution of effort brought about by formation of these many new local organizations.

3. How to curtail or avert the needless expenditures of money, executive manpower and effort now used in forming the new organizations.

4. How to guard against bureaucratic fingers being consistently inserted in the local activity pie through upper level connections with the new organizations being promoted.

At present there are in the United States approximately 3,100 trade and professional men's organizations. Every one of these vertical-type organizations stands on its own merits. Every one is privately financed and controlled by its membership.

Similarly, there are more than 3,000 chambers of commerce, commercial clubs, civic and commerce associations, community clubs and like-named horizontal-type business and profes-

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"He's an accountant of the old school-has to figure out everything in terms of apples!"



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NATION'S BUSINESS for October, 1943



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- ★ State and municipal governments friendly to industry.

sional men's organizations. These or ganizations provide adequate outlet for the ideas and activities of business men in every locality. To warrant its existence and to merit the support of its members, each organization carries on a dual program covering:

1. Continuing services to members and to the community.

2. Planning and keeping up to date a long-range program for the well-being of the members and the community.

In Philadelphia, for instance, the Chamber of Commerce and Board of Trade early this year conducted a series of war and postwar conferences in which more than 5,000 citizens participated. The meetings were held over a three-weeks period to elicit concrete proposals on which a constructive community program could be based. Topics discussed included taxation, city planning, decentralization, development of the port, etc. Suggested as practical steps in the postwar program were:

1. Develop a plan for reconversion of local industry.

2. Actively cultivate foreign markets now, especially with the Latin American countries.

3. Create a civic council for closer cooperation and working agreement among all business, trade, civic and neighborhood associations to provide city-wide support for programs on city planning, slum clearance and public improvements.

4. Maintain pay rolls to provide purchasing power in the community for Philadelphia's retail and wholesale trade, and expansion of services of these trades.

Out of this meeting grew the "Philadelphia Plan," which was set up, and is now being carried out, by the local chamber of commerce.

What Los Angeles is doing

IN LOS ANGELES, the local chamber has developed a master plan for the development of Los Angeles business and industry. Included in the plan are these guiding principles:

1. Promotion of industries necessary for balanced economic development.

2. Promotion of efficient use of all natural resources.

3. Cooperation with research laboratories of universities, government and private foundations in developing new techniques for treatment of basic resources and local materials.

4. Discovery of products for which a market exists in Southern California but which are not produced here, and promotion of their manufacture here if economically feasible.

5. Continual development of indus-



NATION'S BUSINESS for October, 1943

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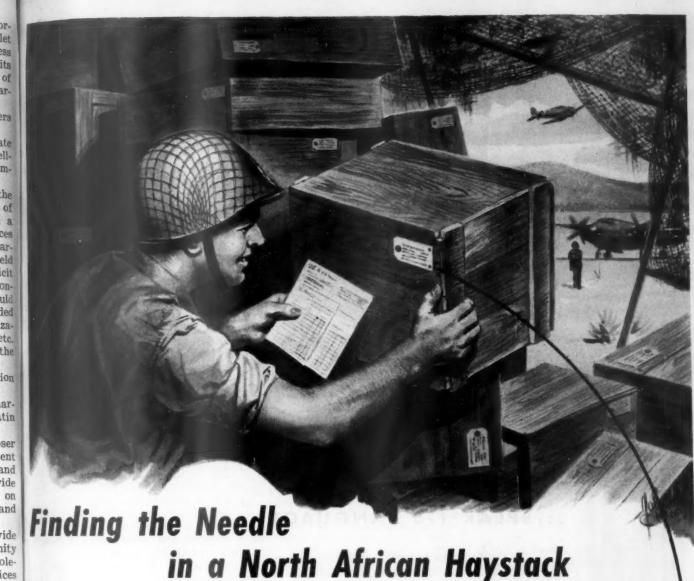
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JOU'RE a bomber's nurse in North Africa I and you need a new oxygen control valve for your plane. That's one of 250,000 parts in

You'll find it in a few seconds.

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When spare parts come to a supply depot, an Addressograph* plate is embossed, giving a complete description of the part, and the number of the bin in which it will be stored. An impression of that plate goes into the depot's stock records, another goes on the bin, another is attached to the part itself. Then when parts are ordered, they can be located and shipped out quickly-and identified anywhere.

You get your bomber into the air quicker and always with the right repair because of an Addressograph plate-the same kind you use in your business to write payrolls, purchase orders and invoices, for tool crib control, or any of the hundred ways Addressograph methods are used.

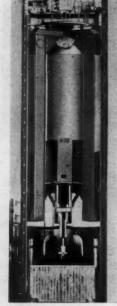
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6. Planning for proper utilization of industrial real estate.

7. Avoiding subsidy of new indus. try through free sites, promotional financing and tax exemptions.

8. Encouragement of vocational training and protection in the right of labor to work.

Planning improvements

IN LAKELAND, FLA., the local naval off chamber of commerce has set up a lived to b postwar planning project and is working on such things as: processing of agricultural products and utilization of raw products; expansion of agricultural resources; and civic improvements.

In Evansville, Ind., the local chamber has set up a postwar planning council composed of all interests in the community to keep war production up, and to reconvert to peacetime production after the war.

Turn to almost any city, large or small, and you will find the local organization of business men on the a special

The business man belongs to his local chamber and, in addition, to his trade or professional association.

Regionally, the activities of local the Inlan business organizations and trade as was only sociations are coordinated through ment em this overlapping membership.

Nationally, the activities of the local business chambers and of the various trade associations are coordinated through the Chamber of Commerce of the United States, a federation of business and industrial organizations.

As concerns planning, a recent publication of the National Chamber, entitled "The Chamber of Commerce Approach to Postwar Planning," lists these conclusions:

- 1. Planning for the readjustment period is needed.
- 2. Planning can be done without detracting from the war effort.
- 3. There is a local community job to be done.
- 4. Your chamber of commerce is the logical agency to sponsor the

In the light of the current encroachments on the business men's organization field, the preservation and growth of our free enterprise system may largely depend on how well you water the grass roots of your own independent organizations now and after the war.

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NATION'S BUSINESS for October, 1943 NATIO

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Kindly Man With a Battle-Axe

(Continued from page 36) Congressman John E. Rankin, Secre-ury Harold Ickes, and Clyde T. Ellis, I fi pow head of the NRECA and covetous

Mr. Slattery's scalp.

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Harry Slattery was born in Greent of ville, S. C. His father was a successful merchant in the South. His mother was strong willed woman who watched the confederates fire on Fort Sumter and was wounded by a shell in that attack on charleston. Her father, a Confederate ocal maval officer, was killed in battle, but she p a lived to become the mother of seven chilork- dren of whom Harry was the fifth.

He graduated from Greenville High School at 16, and successively studied at Mt. St. Mary's College in Maryland gri- and at Georgetown and George Wash-

ington Universities.

While attending Georgetown, he am. taught himself stenography, and, in the ning intervals of attending George Washington University, reported committee hearings in the United States Senate. That brought him in contact with Gifime ford Pinchot, then secretary of the newy formed National Conservation Assoor ciation. Mr. Slattery succeeded to this or position but, after three years, became the a special assistant to Franklin K. Lane, then Secretary of the Interior.

In later years Mr. Slattery was conhis nected at various times with the Naional Conservation Association, the National Boulder Dam Association, and ocal the Inland Waterways Commission. He as- was only out of Washington and governugh ment employ during the two times he

served as personal and administrative aide to Gifford Pinchot, who was gov-ernor of Pennsylvania 1923-27 and 1931-35. He is credited with playing a major part in uncovering the Tea Pot Dome.

When Harold Ickes was appointed Secretary of the Interior, Mr. Slattery became his personal assistant, later the administrative assistant of the Public Works Administrator, and then was moved up to become Under Secretary of Interior.

In that post he was happy. His ideas clicked perfectly with those of Mr. Ickes. He had had a long experience in bureauland, and was able to show the Secretary through the maze of lobbyists, legislators, job-seekers, and politicians. He knew the men whose hearts burned with ambition to make over America. Mr. Slattery was able to show them what could be done and how. Through it all he remained relatively anonymous. He found jobs for hundreds of persons. He was an associate and aide of most of the men well known in the present administration. He might have built up a little machine of his own, but he did not do so. His prime aim is to electrify every farm home in America.

Behind the scenes

MR. SLATTERY has always preferred to stay behind the scenes. If he wished, he could write a book about the great political figures he has known more or intimately-Winston Churchill,

Lloyd George, Ramsay Mac-Donald, Oswald Garrison Villard, William Allen White, Theodore Roosevelt-who called Mr. Slattery an "Irish rebel from the South"-William Howard Taft, Woodrow Wilson, Dr. Charles Eliot, Warren G. Harding, Calvin Coolidge. Herbert Hoover, and almost every other man who has risen to real or apparent power in Washington in the past four decades. He has visited every state and every capital in Europe. When Mr. and Mrs. Franklin Roosevelt went on picnics in Rock Creek Park with Mr. and Mrs. Herbert Hoover, it was Mr. Slattery who safeguarded the Roosevelt children.

He looks like a fairly successful business man today. He wears a pince-nez, has graying brown hair, and has retained his waistline in spite of the fact that he carries 215 pounds on his five foot, 11 inch frame. He still votes in Greenville, S. C., continues to be the Democrat he was born, travels 40,000 miles a year and meets thousands of persons, few of whom he ever meets again.

When he first went to college

Where IS Elmer?



Elmer's the guy who still doesn't know there's a war on. Elmer's a human gremlin. And he's usually A.W.O.L. with the tools a better man should be using . .



BUT, Elmer doesn't monkey when Ohmer Tool Control Machines are on the job. These registers provide quick, simple, fool-proof control against loss or damage of the tools we need so desperately for victory.

Ohmer Tool Control Machines have the capacity and flexibility to fit in readily with almost any tool capacity or employe numbering system. The entire record of every tool withdrawal is printed in one operation on duplicate tickets and on a tape locked in the machine. No printed forms are necessary.

Because of their dependability, compactness and speed, Ohmer Registers are cutting tool loss and breakage in many vital war plants today. The performance of these machines...and of the many other types of Ohmer Registers . . . is their own best reference for tomorrow. Ohmer Register Company, Dayton 1, Ohio.



"Will you try not to snore so loudly? It is disturbing our bridge game!"



FARE REGISTERS and TAXIMETERS for transportation TOOL CONTROL REGISTER SYSTEMS for industry

Mary, the Express phone girl



Whether it's a consignment to a factory working furiously against time—whether it's one small shipment of something—or a huge one of vital wartime material, Mary, the telephone girl at Railway Express, is ready to help you with courtesy, understanding and dispatch.

An invisible but most important link in our chain of wartime service she talks to a great army of customers—relays their wishes quickly, quietly, efficiently.

The voice with the smile in it—that's Mary—typical of the telephone girls at Railway Express.



Use AIR EXPRESS for super-speed, at 3 miles a minute . . .

he expected to become a priest. In Green. ville his boyhood friends say that he was a "good" boy but not a sissy. If he ever broke out of bounds they do not remember it. When he was Under Secretary of Interior, President Roosevelt sum moned him:

"I want you to become REA Admin. istrator."

"I'm sorry, Mr. President," said Slat. tery. "I am happy where I am and I to not want the job."

"You don't get the point," said the President. "I'm not asking you. I'm drafting you."

He was a natural for the post. Morris L. Cooke had been an excellent administrator, but he had declined to be come a fanatic against the private util. ties. John M. Carmody succeeded him and gave a good administration but was inclined to be heavy-handed in his treat ment of REA Cooperatives and privately owned utilities alike. Besides that his health was none too good. Mr. Slatten was as devoted to public ownership u Judson King himself-Mr. King now holds a \$6,000 a year job as "counsellor in the REA-and had in stock the kind words Mr. Carmody lacked and the doubt of privately owned utilities in which Morris Cooke was deficient. In addition he had been playing politics in Washington, had watched politics being played, and knew the players as any man might after almost 40 years.

REA was first given life through a executive order. Then a law was passed If any one objected to the original REA the objections were couched on such high moral grounds that the voter could not see them. Thousands of farms wen not-and still aren't-provided with electricity. The private utilities an owned by stockholders who would object to their companies operating as philanthropies and taking electricity to farm which could never be paid for by the intake. The REA plan was to borrow money from the Government to electrify

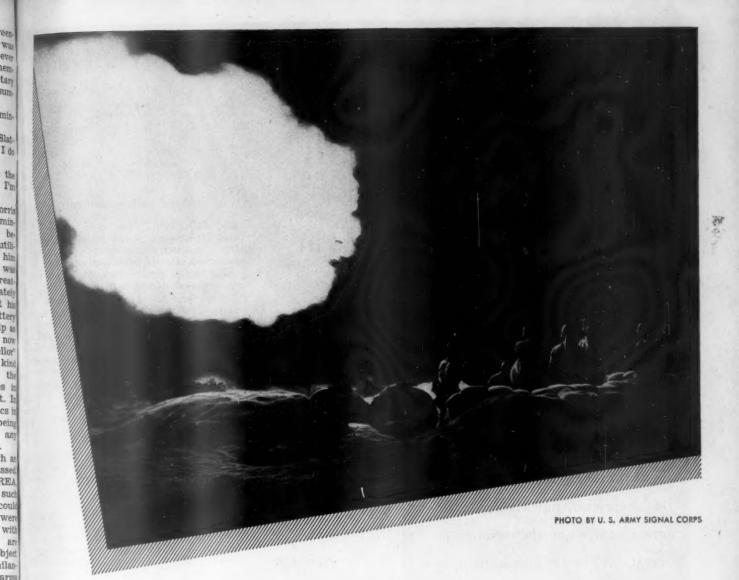
Small towns taken in

THE original plan worked. The REA has now borrowed \$460,467,729 from the Government and hundreds of rural cooperatives have built 409,401 miles of electric wiring with that borrowed money. Most of them are paying off, too. The farmer co-ops were conducted on a plane of rigid economy, usually under neighbor management.

The theory was that the Washington office of the REA-the federal overlook er-would look after the bookkeeping. examine the prospects for prospective co-ops, and act as intermediary between the government money and the co-ops Because some small towns were also without electricity, those of 1,500 population or less were taken into the

scheme.

But it is a law of nature that a government bureau will expand if a reason able excuse can be found. The REA be gan to encourage the buying of up-todate machinery by the farm cooperatives. The farmers liked it. The more



FIRED BY A FACTORY WHISTLE!

At home, far away from the fields of battle, a factory whistle blows. It signals the start of another shift of war workers. They are the men out of uniform who apply their skill and training to the production of war weapons and materials.

These war arsenals are scattered through every state, hundreds of them, hard at work making the millions of bits and pieces that will be assembled at other hundreds of war plants.

Such vital operations call for qual-

ity cutting coolants and lubricants ... specialized oils for turning, for drilling, for planing, for milling and for grinding.

Texaco meets this urgent demand no matter where the war plants are located by distributing quality lubricants from its more than 2300 wholesale supply points.

And—to increase plant production through proper use and full economy of Texaco petroleum products skilled Texaco engineers stand ready to serve, anywhere.

THE TEXAS COMPANY



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"You can't

squeeze water uphill"

... So PEERLESS did it!

RIVERS of doubt flowed through the minds of countless water engineers when they first heard about the Peerless Hi-Lift Pump. But skepticism quickly turned to amazement when they studied its operation. The Hi-Lift is the most advanced water-lubricated pump,

embodying a unique(and most economical)water-lifting element.



HYPOCYCLOIDAL LIFT. Hi-Lift's ingenious water-lifting element consists of a hard polished helical rotor which rolls within a cutless resilient rubber stator bearing at half the usual pump shaft speed. Hypocycloidal action of the rotor with the stator literally squeezes the water spirally up through the pumping element.



PEERLESS PUMP DIVISION OF FOOD MACHINERY CORPORATION
301 WEST AVENUE 26, LOS ANGELES 31, CALIFORNIA
SAN JOSE, FRESNO, CALIFORNIA . CANTON, OHIO

purveying REA could do the larger grew its Washington bureau.

Soon REA was linking co-ops to cop. Then there were circuits. Men and women were sent out to teach farmers and their wives how to use electricity. The individual farmers paid for what machinery they installed and the co-ops paid the government interest and principal of the borrowed money, but the overhead cost of promotion, management and instruction were paid out of the federal Treasury.

More public power

MR. SLATTERY wrote an extremely neat little book—"Rural America Light Up"—in which he admitted that privately owned utilities could not afford to do these things for the farmers. Ergo the Government should do it.

Here and there spots developed in which the growing cooperative nets needed the facilities of privately owned companies. The argument was that REA should take over these privately owned companies. The drive for more public power was represented as self-protection for the farmers. Mr. Slattery's mislikers began to fear that he was planning to make himself as powerful in the rural power field as Secretary Ickes is in the public power field of hydro plants and government-aided municipal power houses. The REA was directed to move to St. Louis. This was distasteful to Mr. Slattery. He felt that somehow REA and Slattery were being buried in a common grave.

The

unconventional

pump that has

upset America's

hide-bound

water-raising

Right now we're "chock-a-block"

with orders-mostly for Govern-

ment war service, but we'll be

glad to send descriptive litera-

ture, if you need a good pump.

MAGIC ELEMENT

OPERATES HERE

"traditions."

Mr. Ickes may have acted as undertaker and he may not. One must not believe all one hears in Washington. The transfer of REA to Interior has been urged by a White House administrative assistant in a formal memorandum to the President.

Then came the NRECA outbreak.
Robert Craig had been Deputy Administrator of REA. For a time he got along handsomely. Then he began to show an undesirable independence. Along with former Congressman Clyde T. Ellis he planned to set up a cooperative insurance organization. Mr. Slattery wrote a letter advising the co-ops to "Stop, Look and Listen." Mr. Slattery asked Mr. Craig's resignation, and got

And in the meantime-

Mr. Slattery wishes to take the REA out of the Department of Agriculture and set it up as an independent bureau. Secretary of Agriculture Wickard wishes to hold on to it. He has recommended to President Roosevelt that, as a matter of political expediency, Mr. Slattery should be dropped. Secretary of Interior Ickes wants REA. Congressman Rankin has a bill in the House opening the REA to towns of 10,000 population. That would step up REA power. Some of the towns of 10,000 are in opposition because they do not want to be "run" by the farmers. Senator Henrik Shipstead, a friend of Mr. Slattery, has begun a senatorial investigation.

The fat's in the fire.

ACTUALLY SQUEEZES

WATER UPHILL



Powered with FAIRBANKS-MORSE DIESELS



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Trading Post for Potatoes

LESS than four miles from Chicago's downtown Loop is a "potato yard," which, although little known generally, handles approximately 2,880,000 pounds of potatoes daily. Here carload shipments from Maine to California change hands. Cars are unloaded or reconsigned to other localities and now with the demands of service camps augmenting civilian needs, business has been stepped up to new heights.

This post, which serves as a clearing house for our most popular American vegetable, brings brokers, jobbers, dealers together with a fervor reminiscent of the old time grain pit. Business, however, is done "in the open." The yard is more than a half



Blackboards list car numbers and trai

Sacks are cut open for inspection, then repaired by "tailors"

mile long, 900 feet wide. Concrete driveways between car tracks permit autos and trucks to be driven directly to the doors of the cars. Six hundred refrigerator cars may be accommodated simultaneously with auxiliary space on "hold," "inspection," and "classification" tracks for 1,850 additional cars.

The yard opens at 5:30 a.m. when sacks of potatoes are inspected and

weighed on scales that are tested daily for accuracy. Although operated by the Chicago and North Western Railway Company other railroads' cars are switched into the terminal, also.

Market opens at 8:00 a.m. in a space located in the center of the yard. On arrival, brokers and dealers receive a card showing the location of cars consigned to them that have arrived during the night, also with a list

of cars received in the past 24 hours shipping point, and track location. A huge blackboard at the entrance gives the car and track numbers of all potatoes in the yard.

locations of potatoes in the yards

Brokers take their customers to the cars by automobile or truck; sacks are cut open to permit examination. When the carload is sold, "tailors" from a crew servicing the yard, appear and with their long needles and strong thread sew up the sacks.

Although onions, turnips, cabbages, rutabagas and other perishables are also handled at the yard, the business is mainly potatoes; 32,000 bushels, daily, is an average unloading while thousands of other bushels are reconsigned to New York, Philadelphia and elsewhere.

Office and clubhouse facilities and parking space are provided for the traders. Numerous telephones are scattered throughout the yard for quick communication and a speaker system is employed to broadcast messages and telephone calls. Among the many inspectors, supervisors and clerks employed are nine patrolmen who police the yard to see that no food leaves the grounds without permit.

—Shirley Ware.

MANPOWER...

we can help you solve this Problem

Payroll "deadline" only a few hours away...comptroller waiting for important data... someone's leaving for Washington and needs a lot of figures... billing is late... and the monthly report must be on the president's desk tomorrow!

Sounds familiar?...obviously a question of Manpower, and it's a Monroe wartime job to help you.

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Monroe machines and the expert figure services that go with them are helping thousands of offices to carry this greatly increased load of figure work. If your office is undermanned, if fatigue and strain are wearing down the office workers you have, if your figure work is running behind, a Monroe representative can help you.

He can show how Monroe simplicity can make inexperienced help productive in less time. He can analyze your figure routine to find simplifications and short cuts. And if additional Monroe equipment is required, he will explain how we are prepared to cooperate with you.

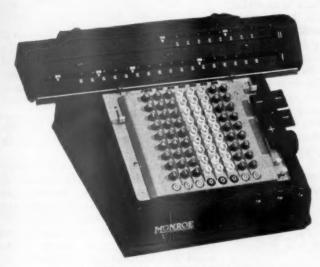
A timely example of Monroe's special wartime services is the new book

MONROE SIMPLIFIED METHODS FOR PAYROLL CALCULATIONS

... ask your nearest Monroe office to explain it; or send in the coupon.

Your Monroe machines are now more vitally important than ever. Keep them operating at peak efficiency through regular inspections by a trained Monroe specialist under our Guaranteed Maintenance Plan.

The nearest Monroe branch awaits a letter or telephone call from you.



MONROE

Machines for Calculating, Adding, Accounting

Because of skill, precision and long experience in designing and manufacturing Monroe machines, our plant was selected for the development and production of special war equipment requiring unusual exactness and accuracy.

NATION'S BUSINESS for October, 1943

Monroe Please plified M	send	inform	nation	conce	rning	Monroe	
Name							
Company			**********	*********			
Address							

There Are Still Things to Sell

By HUGHSTON M. McBAIN

President, Marshall Field and Co.

HE OTHER DAY I watched a woman customer buy a bureau. When she asked about the gold-finished drawer knobs, the worried salesman explained that they were wood, painted to simulate metal because of the brass shortage. She smiled approval.

"That's practical," she said—and bought the piece.

It seems to me that this customer attitude-accepting with good grace



Lacking wool, manufacturers made women's coat linings from milk

whatever our war-burdened economy can provide—is a heartening evidence of growing national morale.

More and more American manufacturers are finding satisfactory replacements for hard-to-get items. Today's customers are accepting these replacements patriotically and are gaining experience in their use. How much this new experience is going to influence their postwar choices of goods is a question that does not make the retailer's future lot any easier. Who, except the customer, is going to decide which of these warborn products is here to stay?

Meanwhile, however, the alert retailer, because of the manufacturers' ingenuity, is able to offer his customers almost as many things as were available in the prewar days.

Recently American women have been buying arm and lounge chairs such as the twentieth century has never seen before. They look like any other chairs; handsome, comfortable and upholstered in various types of fabrics.

Yet to the customer these pieces are revolutionary!

The resiliency, on which comfort depends, is achieved, not by metal springs, now banned by government 1860 furniture still has wide appeal

INGENUITY, a wartime necessity, may bring many

changes in the postwar merchandising picture

order, but by wood "springs," or by webbed bases with thick, bouncy layers of hair. Incidentally, this wartime hair construction has an honorable

English craftsmen, who originated fine upholstered furniture, used this same method of obtaining resiliency back in the eighteenth century.

Yankee ingenuity is responsible for the ultra-modern wooden "springs." Using strong, resilient native hardwoods, ingenious manufacturers have devised comfortable units which are built into their popular models of chairs and sofas without altering their appearance.

Throughout American retailing today we are seeing countless examples of such ingenious substitutes which are helping to keep our store doors open and maintain civilian morale. No one would deny that there are many acute and apparently insoluble shortages. Yet from furniture to clothing, from kitchen utensils to luggage, there is almost no field where alert manufacturers cannot devise at least some new types of goods.

Not long ago, for example, when the Government restricted all-wool interlining for women's coats, there were gloomy faces among department store executives. Then, with typical American magic, manufacturers turned up with a new synthetic interlining made from-of all thingsmilk! This new chemical fiber, called Aralac, is light in weight, even warm-

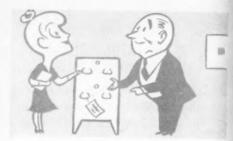


Not yet old enough to be antique,

er than wool, and can be dyed any color. This fall perhaps half of our new women's coats will be lined with Aralac.

Another example of U.S. industrial and mercantile accomplishment is the wooden baby carriage. About a year ago the ban on steel for baby buggies began to perturb department stores. No more buggies were available, yet babies were continuing to be born.

Somebody had an idea. Could a baby buggy-wheels, frame-almost ev-



Told that the bureau knobs were wood, the customer smiled approval

erything but fabric-be built of wood? A firm of carriage makers agreed to build a few trial machines. Today we are selling wooden baby buggies by the score.

And the babies seem just as contented to be traveling on wood as

Every merchant knows the difficulties of obtaining adequate supplies of furniture—particularly variety in furniture—since furniture styles have been cut by 65 per cent. A Field department manager vacationing in Santa Fe noticed some heavy handhewn pine furniture. Investigating, he found a number of local craftsmen who would undertake to build these

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Recently we opened a "Southwest House" in our store-and the furniture developed in Santa Fe has been well received. The wooden pieces feature a special gray finish, wire-brushed to give a rough effect. Mixed in with



HIS is the story of the check that came back. Not because it wasn't good. As a matter of fact, it was just about the best check that could be written. . . . It came back for another reason which all and sundry should be glad to hear.

A good many people write checks like No. 314, drop them in the mailbox, consider a good deed done and the money gone. Which is, of course, the wrong idea.

Let's suppose that you wrote check No. 314. First, let's assume that you were thirty years of age fourteen years ern Mutual. This year your fifteenth annual premium is up for payment -\$233.10 less the dividend of \$80.30, leaving a net premium of \$152.80 just the amount of check No. 314.

However - here is the key point you mail this check to The Northwestern Mutual and the cash value of your policy increases \$154.50, or more than the amount of your net premium!

Thus, for all practical purposes, you have simply transferred \$152.80 from your checking account into the cash value of your life insurance, and kept \$10,000 of priceless protection in force at the same time.

That's the story of check No. 314, the check you dropped in the mailbox, insurance premiums, think of this story and especially Northwestern Mutual.

Think of this, too -

The difference between life insurance companies is significant. When considering life insurance it will be much to your advantage to do these two things: (1) see the Northwestern Mutual agent, and (2) check with Northwestern Mutual policyholders for they can tell you, better than anybody else, why no company excels Northwestern Mutual in that happiest of all business relationships — old customers coming back for more. The Northwestern Mutual Life Insurance Company, Milwaukee, Wisconsin . . . Established 1857.



"Getting a Suggestion System that WORKS Is Easy.."

"Take the advice of experts—men who have done outstanding jobs on their own suggestion systems. They'll tell you that the best way to get results is to go to a specialist in suggestion systems for some professional help."

How to Get That Help

Make a point of getting the facts on the Morton Method. The Method is a complete system for utilizing all available brainpower in any organization. The Morton Method is much more than a means of collecting ideas. It gets right to the heart of the problem by stimulating and directing constructive employee thinking along definite, predetermined lines.

What the METHOD Does

With "know-how" gained in more than 15 years' experience in over 10,000 American business establishments, the Morton Method eliminates guesswork and uncertainty from employee suggestion system operations. It makes available, at low cost, material which very few companies could afford to produce themselves. The Method loses no time in securing for your business the benefits of employee "thinking up" ability—an ability which has already been worth millions of dollars to Morton Method users. Write, wire or phone today for complete information.



The MORTON METHOD
MORTON MANUFACTURING CO.
SUGGESTION SYSTEM DIVISION
329 N. Leamington Ave., Chicago 44, III.

this furniture are other furnishings easily acquired—brightly-painted Mexican chairs with woven rush seats. Indian baskets as end tables. Navajo rugs.

The point is that a store employee who kept his eyes open was able to introduce a new note in furniture. Other stores can and are doing the same thing.

Another important development in furniture—and one in which almost any store can participate—is the rapid growth in sales of what might be called 1860 furniture. Not yet old enough to be known as antiques, these pieces include Boston rockers, cherry corner cupboards, Pennsylvania Dutch and New England maple furniture.

Furniture of this type can be featured in a "country house" section of a selling floor, and can be filled in with cobbler's benches for cocktail tables, old washstands turned into liquor cabinets, and similar pieces. Although not available in really large quantities, furniture of this kind is obtainable and has wide customer appeal.

New substitutes every day

ALMOST every day brings a new substitute for our hard-pressed stores—plastic strainers to replace the customary kitchen metal strainers, glass or ceramic cooking ware, non-warping Florida cypress lawn furniture, even fabric fly swatters.

The customers have been splendid, too. As the realities of war press closer—and I believe other department store executives have had the same experience—customers tend to regard buying substitutes as a matter of course, even as patriotic.

For instance, years of promotion made innerspring mattresses popular. Yet, when the innerspring mattress disappeared from the market, manufacturers vastly improved the cotton felt mattress of our grandparents' day, and right now we are selling a satisfactory number of this type of mattress.

The same customer acceptance has applied to cotton and rayon stockings. No merchandise man can look on such substitutes—either commercially or esthetically—without some regret. Most stores believed that the disappearance of nylons and silks would lead women to abandon stockings in favor of leg make-up. Yet, in Field's, at least, hosiery sales (with no silks or nylons available) are actually ahead of last year.

Ranking in significance and importance with the development of American substitutes for merchandise previously sold is the discovery of new foreign sources. The best of such sources—and particularly appropriate in view of our Good Neighbor policy—is Latin America.

In the past year, for example, millions of dollars worth of alligator hand bags and bill folds have come from Argentina. Our store has sold more than \$100,000 worth of these two Argentinian items alone—items now unobtainable in America, and therefore doubly welcome to any store.

Similarly, we have obtained wool

blankets from Brazil and silver holloware from Mexico—the latter a particularly important item because of the ban on silver holloware production in America. The Mexicans are turning out beautiful objects in this field. Many American stores, too, are finding Mexico a first-rate source for the various candies now so difficult to obtain in the United States. Our buyers report that the better type Mexican candy factories compare favorably with our own. At least one Mexico City firm, in fact, is 80 progressive it formerly sent its chief candy makers to Europe every year to study the most advanced methods of candy manufacture.

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Importers are turning increasingly to such Latin-American sources for all types of goods. Gloves—so scarce on the American market—are now being made in Brazil. In the same country we have obtained men's fine liste hose. Brazil is also providing Nottingham lace curtains and tablecloths; Argentina, excellent men's wool sweaters; Central America, jewelry; and with the new governmental edict against the use of leather in luggage, both Brazil and Argentina will almost certainly supply vastly increased quantities of this important item.

One of the most striking developments in the Latin-American field is the increasing sale of Mexican textiles in this country. American buyers and importers have discovered that handblocked Mexican cottons, mostly produced by handicraft workers in homes,



Latin-American production of luxury goods may continue after the war

have both originality and charm. The problem here—as in much of Latin America—is organizing such production and developing markets in the same way European markets were developed 100 years ago. If they are so developed, tens of thousands of textile pieces should be available annually.

Most observers agree that the overall Latin-American production of luxury goods will increase rather than diminish, and that the nations to the South have an excellent chance to hold much of their war-developed business in the post-war years. Refugees who have fled from Europe to South America—those who once manufactured fine French, German, Italian and Czech goods—will give added impetus to increased production, both from the quality and dollar standpoint.

It is my own belief that the American department store, despite shortages and difficulties in many lines, can face the future with confidence. Already, for example, many stores throughout the country are experimenting with self-selection to tide over the growing shortage of trained employees.

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In our basement store's shoe department, we have made up racks and display cases which carry all the styles, colors and price ranges in stock. A card showing the price, together with the style number, is placed in front of each shoe displayed.

The customer takes down the number of the shoe and the price, and hands it to a salesperson who locates the size, and completes the sale.

Ingenuity and adaptability have always been the key to American success, in war as well as in peace. As long as such ingenuity and adaptability prevail, department stores, like other businesses, will meet and defeat our present wartime problems.



Anti-Ice Man

This is Dr. Louis Marick, of the Detroit development division of the United States Rubber Company, who has perfected a unique method for preventing ice on airplane propellers.

A strip of rubber of a new type called Uskon, which is capable of conducting electricity, is attached to the leading edge of the propeller blade. Electricity passing through the strip heats the edge and keeps ice from forming—an advantage over methods of de-icing which function after the ice has already formed.



A broken part...a broken life

Defective packing is nothing less than sabotage. Check this insidious form of sabotage in your shipping room. A vital part, broken in shipping and due to faulty packing, may mean needless loss of life on the battle front. Making implements of war is not enough. They must be packed correctly... to reach our fighting men undamaged.

Today, in defense plants throughout the nation, KIMPAK* Creped wadding is widely used for packing war products. For KIMPAK is soft and resilient to absorb the jolts and jars that

often cause chipping, chafing, breakage in transportation.

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Medical Care by Politics

By FRED DEARMOND

SYMPATHY for the sick may lead to governmental remedies bringing problems and evils far worse than those we are trying to cure

WE HAD stopped to inquire directions at a tumble-down farm house on an unfrequented Ozarks trail. A tired-faced young woman came to the door carrying a baby. The little fellow had that pinched, wan, bewildered look that told its story of pain.

"He's bad ruptured," the mother explained. "The doctor says he can't do nothin' fer it here. Yes, they's a hospital in Kansas City that tends to sich things fer folks like us, but we ain't got no car to get there in and no money neither."

I related this experience to a doctor friend.

"Why should such things be?" I asked him.

"It's simply a question of distribution," was his answer. "Same old problem you had in business till the war came along—stores and warehouses bulging with consumer goods but some people in need. We have enough doctors, medicines and hospital beds, plenty of medical knowledge and skill. But the science of healing has progressed faster than the economics of its distribution."

I told him what I had heard on the highways and in the Pullmans. Too often, men say, good health is a matter of ability to pay:

"Why should Smith's boy, who needs an operation, get nagnificent care because Smith makes \$25,000 a year, while Brown's boy is doomed to stumble around with a bad leg all his life because Brown makes only \$30 a week?"

"There are such cases," he said, "and we should never be satisfied as long as that sort of thing can happen. But it's far from being typical and, in my observation, is becoming decidedly less frequent every year.

"You know every evil is relative," the doctor went on. "The important thing to determine is the rate by



Try to picture your family physician as a salaried government employee and you see what professional freedom means to the service he renders

which it grows or diminishes. The case for reform is never settled when the evil is proved to exist. There is always the question, 'Would we be better or worse off after making this or that proposed change?'"

What can be done?

WHAT, then, can be done about the ill-doctored people? Will government have to take over responsibility for treating the sick? Is socialization of medicine inevitable?

"That way lies a new set of problems and evils worse than those we are trying to correct," said the doctor. "The record of politics and bureaucracy doesn't promise much for their ability to take over medicine and straighten out the kinks."

And then he matched my experience by relating an episode from Frank G. Slaughter's book, "That None Shall Die":

A young doctor has been called late at night to see a patient with lobar pneumonia. The family tell him candidly they have no money. It proves to be a desperate case. He calls the city hospital.

"Is the man a resident?"

"No, he's an unemployed worker here on a visit."

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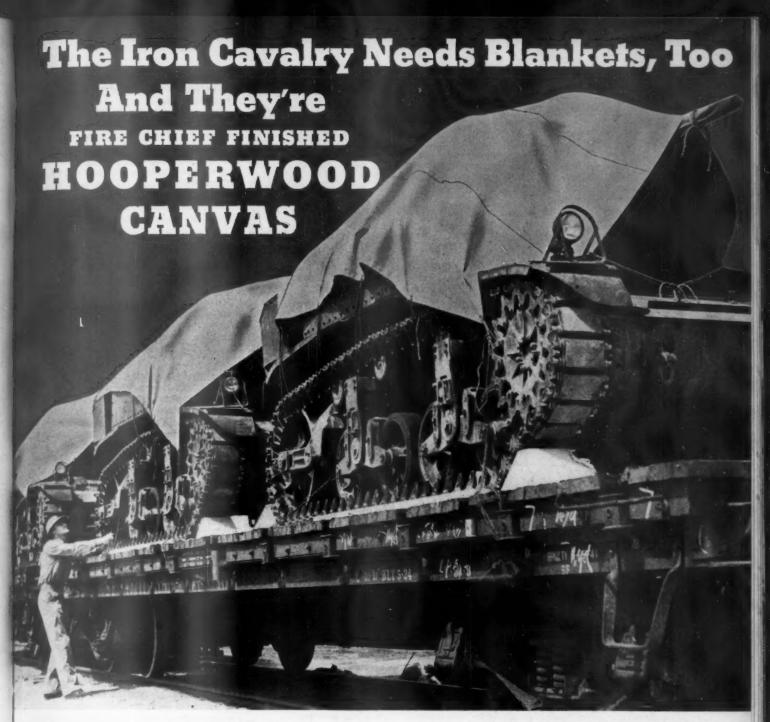
"Then, that rules him out. We're not allowed to take out of town cases."

Next, the doctor calls the director of the social welfare service, asks if she can hospitalize his patient.

"Perhaps we can arrange it. If you'll give me the name and address, I'll put an investigator on it Monday."

"Monday! He'll be dead by Monday."

Back at the bedside, the doctor decides that pneumonia serum combined with sulfapyridine is the one chance of saving the sick man. But they cost money. He dials the social service director again, "I've typed this patient



Because our Armed Forces literally travel, live and fight under FIRE CHIEF-finished HOOPERWOOD Canvas — need many millions of yards of this fire, water, weather and mildew resistant cotton duck — there is none for civilian uses today.

But this amazing war-proved product holds great promise for post-war application, is greatly extending the popular conception of canvas usefulness in many fields.

For instance — as awning material, it can't be ignited by cigarettes or other hazards of carelessness. As welding curtains, it actually defies an oxyacetylene flame to set it afire. As covers for trucks, it will outweather former materials several times over. Down in a mine or under the worst climatic conditions, mildew cannot attack it. As lifeboat covers, hatch covers and other marine canvas specialties, it helps remove much of the fire hazard on shipboard. As construction windbreaks and tarpaulins, it promises to materially lessen fire losses of building operations.

These are but a few of many opportunities for the use of HOOPERWOOD "Engineered Canvas" to save lives, property, production time and profit in the post-war world.

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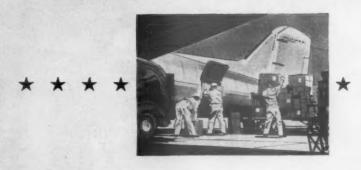
Fire-Chief Finished

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Air Express Rates Reduced



Effective July 15th, Air Express rates within the United States were substantially reduced — many reductions ranging as high as 12½%, depending on the weight of the shipment and the distance it moves. As a result, the average saving to shippers amounts to 10½%.

Increased volume of Air Express traffic stimulated by wartime demands on this fastest form of shipping service—accompanied by peak efficiency in handling—has made it possible to pass these savings along to shippers of air cargo.

So now, more than ever, it pays to ship by AIR EXPRESS!

NOTE TO SHIPPERS: To keep costs down—pack compactly, obtaining best ratio of size to weight. To insure fastest delivery—ship when ready—as early in the day as possible. ASK for our new 1943-44 CALENDAR-BLOTTER. Write Department PR-10, Railway Express Agency, 230 Park Avenue, New York 17, New York.



Phone RAILWAY EXPRESS AGENCY, AIR EXPRESS DIVISION
Representing the AIRLINES of the United States

and find it's Type I pneumococcus. Can you arrange to finance the purchase of serum for him?"

"I'm sorry, doctor," the impersonal voice drones, "the Government makes no provision for the purchase of serum by our department. Besides, we cannot consider helping any case without the proper investigation. Perhaps if you can call us Monday..."

The doctor cut the Gordian knot of social medicine by buying the serum himself and administering it.

The medical profession is fairly united on the fundamentals. Most doctors readily admit shortcomings in ministering to low-income and indigent sick. Their medical societies are studying the question. They are open-minded toward any sincere and practical plans for improvement. They are even resigned to a degree of socialization if it will get results. But they insist that political control stop at the threshold of the sickroom.

Toward state medicine

IF THE present dominant political philosophy remains ascendant for a few years longer there can be little doubt that the nation will enter an era of experiment with state medicine. The past decade has seen a steady infiltration of authoritarianism on all fronts.*—

The war has accelerated this trend enormously.

Public health authorities are crossing over the line that separates prevention from the treatment of disease. TVA is recruiting physicians for salaried jobs to serve its employees. The Army wants civilian doctors for its munitions factory personnel.

Government-subsidized maternity care is available to all wives of service men. Even persons injured while collecting scrap metal in the salvage campaign get free medical care.

"Receive a free medical education from the Government while earning \$50 a month" is the gist of the Army and Navy program to put 5,000 students a year through medical West Points and Annapolises. So vast is the contemplated permanent military establishment that Dr. Ross T. McIntire, surgeon general of the Navy, has estimated one-third of the more than 50,000 wartime medicos will not return to civilian practice.

The war has put so many physicians in uniform (about one to 150 healthy soldiers and sailors against one to 1,500 civilians, including all the sick and disabled) that many communities are practically doctorless. Official voices are now being raised in favor of forcible relocation of doctors.

Britain's Sir William Beveridge laid down the ideological reform line when he declared that every conceivable form of insecurity should be made the responsibility of government. Our "American Beveridge report" by the National Resources Planning Board made recommendations equally sweeping in respect to treatment of the sick.

"The federal Government should stim-

*See "The Case for Private Medicine," NATION'S BUSINESS for May 1940.

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ulate, assist or undertake constructive action to provide such (adequate medical) care for the millions of our people whose need cannot be fully met from their own resources." The implications behind that generality and concealed by its humanitarian language are clear—and revolutionary for America, in the view of most medical men.

This march of federalization culminates now in the Wagner-Murray Bill (\$1161) for diaper-to-shroud social security, including compulsory nation-

wide health insurance.

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Briefly, S 1161 would stretch the protecting mantle of social security over every gainfully occupied American. One section provides, within very liberal limits, for free medical, surgical, obstetrical, diagnostic and hospital service to all who come within its broad definition. Both general and specialized services are embraced.

To finance this system, wage and salary earners would pay a special withholding tax of six per cent of their earnings up to \$3,000 a year, and employers

an equal contribution.

Government employees, federal, state and municipal, would be taxed only 3½ per cent, and all self-employed persons seven per cent of the market value of services rendered up to a maximum of \$3,000 a year. These figures are in lieu of and not in addition to present social security taxes.

An amount estimated at \$3,000,000,000 a year of this revenue would be earmarked as a Medical Care and Hospitalization Account. That sum is nearly equal to the average revenue of the federal Government from all sources during the ten immediate New Deal years.

Some startling facts

THE National Physicians Committee for the Extension of Medical Care has disclosed some startling facts in its analysis of this measure. With \$3,000,000,000, says the Committee, the Government could hire every effective physician at an average salary of \$5,000 a year; buy at \$5 a day every available bed in every non-government owned hospital for 365 days a year, and every bed in every government hospital at \$2.50 a day; besides spending \$168,000,000 for drugs and medicines and \$600,000,000 for administration costs.

Furthermore, it is estimated that, with the amount available under the terms of the bill for medical education, all existing medical teaching facilities could be duplicated and 20,000 additional students paid \$700 a year during their period of training, with \$12,000,000 left

to be spent otherwise.

The bill would give the surgeon general of the United States Public Health Service practically dictatorial powers over treatment of the sick. He would prescribe the qualifications of specialists, which means that he could say definitely who could and could not practice as a specialist. He would set the fees or salaries of government doctors and the number of patients each could serve. Although the bill promises free choice of physician, the surgeon general



White collar Crisis __

The clerical manpower (and womanpower) shortage is no longer news. What you're interested in is: "How can I increase my office and plant production...in spite of a weakened office staff?"

Here's how: First, let a Remington Rand Systems and Methods Expert analyze your office and plant records and routines. Then, follow his advice to the letter, for he's a past master at streamlining production methods from the initial planning to final delivery. He has increased production as much as 50% for other organizations with depleted personnel. Turn him loose on your headaches!

He may recommend the installation of time-tested Kardex Visible Systems whose exclusive Graph-A-Matic signals give you an instantaneous, accurate picture of where you stand from day to day! It's your "seeing eye" insurance against understocking, overstocking, labor-wasting bottlenecks and falling afoul of strict Federal regulations. It

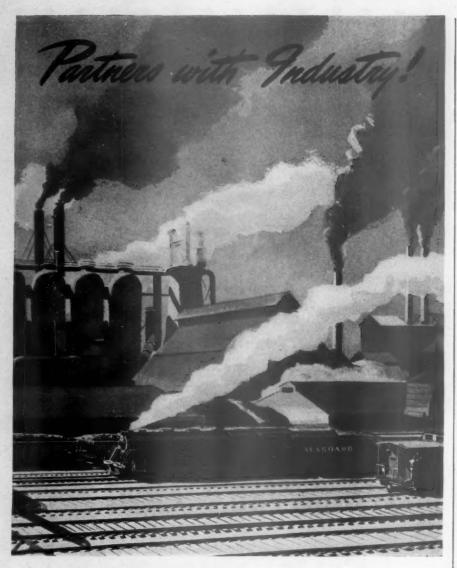
keeps you with or ahead of the toughest production schedules.

Or he may suggest Variadex Filing Systems, with priority-free wood cabinets, to make your files fool-proof, your papers instantly available. Possibly he may be able to point out how even the greenest of new help can be swiftly trained to perform like seasoned veterans.

Whatever the Remington Rand Technician's findings, his carefully-considered recommendations will definitely increase productivity in your office or plant. More than that... you will have established a perfect set of controls to assure peak efficiency in every department, every operation.

You have the problems... he has the answers. Call him in for a non-obligatory consultation today! Write, wire or phone our nearest Branch Office (it's probably listed on the Yellow Pages of your local phone directory).

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The railroads of America are backing industry to the limit in the war of production. Only the close coordination born of a common cause could result in the extraordinary achievements of transportation and industry since the war began.

For many years the Seaboard Railway has recognized the interdependence of industry and transportation. On the established principle that the welfare of the railroad depends upon the prosperity of its patrons, the Seaboard has been working over a long period of time for the economic development of the territory it serves.

The Seaboard's interest extends beyond the location of new plants. It is equally concerned with the success of all industry served by its Line. Its policy is to provide adequate service and to adjust the freight rates on raw materials and finished products to enable these industries to compete with similar industries whether located in the South or elsewhere.

Remarkable progress has been made in the industrial development of the South in recent years. Present indications point to further expansion in the post-war period.

Seaboard will work in the future — as in the past — as Partners With Industry.

BACK THE ATTACK
WITH WAR BONDS

SEA BOARD

RAILWAY

ONE OF AMERICA'S RAILROADS • ALL UNITED FOR VICTORY

would be empowered to allocate patients among available doctors. He could even determine arbitrarily what hospitals or clinics may serve patients.

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Observers of the legislative situation do not believe this bill has much chance of immediate passage. But it is sure to be kept alive and promoted with vigor.

Then, what kind of compromise may be expected between the socializers and the free enterprisers?

For one thing, some recession from the M.D.'s individualistic conception of the doctor-patient relationship. In some of the great clinics, where the frontiers of medicine and surgery have been pushed back farthest, a sick man is not the patient of Doctor So-and-So as much as of the institution.

Contrary to the impression created by the Washington Group Health Association case and the attendant anti-trust suit against the A.M.A., organized medicine has not opposed voluntary health insurance. For several years it has been promoting this method for more widely distributing medical science. The medical societies of 38 states now have voluntary pre-payment plans in operation or are experimenting in that direction More than 300 county medical societies are working on changes aimed at making preventive and curative service available to all, whatever their economic status.

View of the future

A THOUGHTFUL view of the future of medicine, with which most professional leaders will agree, was contributed recently to *Medical Economics* by Waldemar Kaempffert, noted science journalist and generally regarded as a critic of the *status quo* in medicine.

"Compulsory insurance is to be avoided," he says flatly. "About 45 nations have adopted it. What happens is exemplified by Great Britain. There the service the doctor renders is so hurried and poor that in London the district hospital is beginning to displace him."

Citizens should be encouraged to form their own clinics, Mr. Kaempffert concludes. "We want as little bureaucratic medicine as possible and that little should be limited to the publicly supported institutions to which the 'medically indigent,' as they are politely called, must resort."

Seen through this horoscope the general practitioner will gradually pass out of the picture, says Dr. Paul Cole, of Springfield, Mo., who speaks from an experience of 40 years, about half as a G.P. and half as a specialist.

"The changing world is making the G.P. into a first-aid man and card index keeper on the way station to clinic and hospital," continues Dr. Cole. "He has done a good job within the limits of his scientific lights. His service has been psychological quite as much as medical; he acts as a sort of godfather to solace his patients' minds. But the mass of scientific data is becoming so immense that

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^{*}Problems of pioneering in this field were analyzed in "Cutting the Doctor's Bill to Fit," NATION'S BUSINESS, November 1940.

the whole human organism is now too broad a field for any one mind to encom-

Hospitals must be made more accessible to rural people. In sparsely populated districts, the mobile hospital unit can be made to supplement horse and buggy medicine by diagnosing, performing minor operations and indexing patients for hospitalization.

We should not assume that the whole margin between present care for the sick and unlimited perfection is charge-able to the doctors. The whole tendency has been to overrate the economic factor at the expense of another probably just as important-the public attitude toward medical science, particularly in its preventive aspects.

Masses of Americans do not avail themselves of existing medical facilities simply because they "don't believe in

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If it is hard to induce expectant mothers to consult their doctors once a month for pre-natal care, how much harder is it to sell people health insurance in which they pay whether or not they use the doctor's or the hospital's service in a given year! That is why the voluntary insurance idea takes hold slowly

On the other hand, what will be the temper of a worker making \$3,000 a year at having \$180 extracted from his pay envelope for social and medical security? He is sure to know that this is much higher than the same service paid for through voluntary insurance. The upper middle class is heavily penalized in Senator Wagner's plan. And the cost to all workers is actually much more than the basic "take" from their wages, as Dr. Morris Fishbein, editor, Journal of the American Medical Association, has pointed out:

"The contribution of the worker is deducted from his wages. The employer's contribution is added to the cost of the goods that the worker buys. The taxes that he pays represent the Government's contribution. The worker pays from three different pockets but it's all the worker's money. Thus the Govern-ment does for him what he has been used to doing for himself in the past in this country, but it requires two additional government employees for every doctor used in the service in order to give him a lower quality of sickness care, for more money, than he has been having.'

It must be remembered, too, that the indigent are not covered by compulsory health insurance. The Wagner-Murray Bill still leaves the really big

problem unsettled.

Herein is one great waste in the compulsory health insurance idea. Groups that can well afford to pay their doctor bills would share in the particular benefits, when our tax resources should be husbanded to meet real needs where they do exist.

But the greatest waste of all in state medicine is the sacrifice of initiative it would entail by destroying the incentives that now inspire our healing pro-

fessions.

Try to picture your family physician as a salaried government employee and at once you perceive all that professional freedom and responsibility mean in the service that he renders. Could you ring his doorbell at 2 A.M. on a stormy night with the same old assurance of a response? Could you ask him to wait for you at his office till you are off work at 6 P.M.? Do your politics check with his?

It takes "plus" effort to meet the exacting demands on a good doctor. Under political medicine, doctors fear the top rewards would go not to the men who make "plus" efforts in their profession but to those most compliant toward the reigning political regime.

"We were married and lived happily together for two years, then he got the same shift I got"



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"TOPS" FOR YOUR TROUSERS

St. Louis Plans for Peace

A SAMPLE of specific postwar industrial planning that characterizes progressive civic groups throughout the nation today is an idea advanced by Irving L. Sorger, St. Louis business man, who is working through the Chamber of Commerce there to prepare for V-Day.

As general manager of Kline's, large retail store, Mr. Sorger for years has played a principal part in the development of the St. Louis needle trades industry which is today an important segment of the area's industrial life.

He recently advanced the idea that the many scattered companies manufacturing clothing in the St. Louis area should plan now to utilize, after the war, the small arms ammunition plant now operating at capacity. The idea met with immediate response among officials of the St. Louis Chamber of Commerce and they are giving it serious consideration.

"The small arms plant, the property of the Government, has eight units, each approximately the same size, and any or all of them, we think would lend themselves to conversion to the needle-work, or junior dress goods, industry," the late Thomas N. Dysart, president of the Chamber, explained.

"While it is obvious that we cannot negotiate with the Government now for the postwar use of this plant, we can be getting ready so there will be as short a gap as possible between the closing of the plant as a war operation and the opening of all or part of it for peacetime operations."

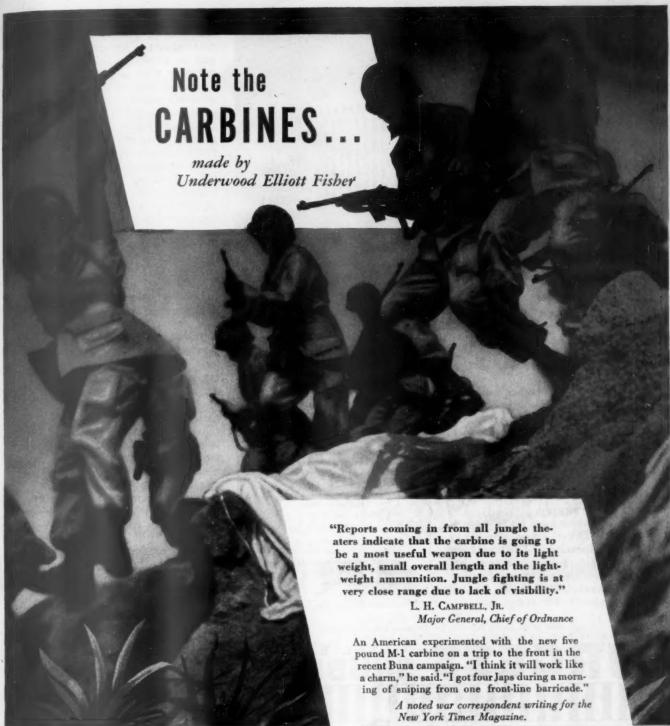
Recalls abandoned plants

MR. SORGER, who remembers vividly the abandoned plants after World War I, points out that hindsight has taught business men foresight. Looking back, he deplores the huge losses to the nation as a result of "no-planning" during the last war and he believes that "at least a part of the loss could have been salvaged if the problem had been anticipated and acted upon in time.

"I feel that it is up to industry to take the necessary steps to solve the unemployment situation after the war, and the time for industry to plan is now," he asserts.

TROUSERS "My suggestion is that our needle industry make a survey of the small

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Note the paratroopers: — Their fire power is increased by the new U.S. Carbine, Cal. .30 M-1, a light, fast-firing gun.

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For Victory . . . UEF enlisted to make Carbines

also in war production on—Airplane Instruments—Gun Parts—Ammunition Components—Fuses—Primers and Miscellaneous Items.

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MAINTENANCE—Our maintenance service is in complete and efficient operation from coast to coast to help you keep your Underwood, Elliott Fisher and Sundstrand machines operating efficiently and we are permitted to manufacture the necessary parts.



Emergency power needs QUIET EXHAUSTS

While many modern office buildings have their own Snubber-equipped plants to provide for their power needs, the Bankers' Life Building at Des Moines, Iowa, contains a small plant which provides insurance rather than power. One Fairbanks-Morse engine, equipped with a Burgess Exhaust Snubber, provides emergency power in case of failure of the main power supply.

Burgess Snubbers have made it possible to install Diesel engines in many such critical locations. The exclusive Burgess snubbing principle assures engine operators of quiet exhausts. Burgess Battery Company, 2823-F W. Roscoe Street, Chicago 18, Illinois.



In regular service, too

In regular service, too, Burgess Snubber-equipped plants provide flexible, reliable power without exhaust noise nuisance. Such plants can be found from coast to coast. A few examples

> Siloam Springs, Ark. Portland, Mich. Lamoni, Iowa Plattsburg, N. Y.

When you consider a Diesel engine, remember that elimination of exhaust noise is an important factor, to you and to your neighbors. arms plant, or any other similar plant that will be available after the war, determine the amount of space that will be available and the space the industry will need to house all the manufacturers of junior, misses, and women's coats, suits, dresses, underwear, negligee and millinery, and centralize the entire industry in either a part, or in the entire area, of the present small arms plants."

Mr. Sorger points out that not only can carloadings to distant points be centralized by the integrated industry but that bulk packaging could be done through a central point, and that consolidated buying of supplies would be feasible.

Assembling many firms under one roof opens up possibilities also of regularizing employment by working out advance arrangements under which the several employers borrow and lend employees, depending on the peaks and valleys of their respective businesses.

Will bring factories back

UNDER the unemployment compensation laws of about 40 states, employers who provide steady jobs are rewarded with reduced unemployment compensation taxes—a case of incentive taxation to promote sound employment policies. These and other obvious advantages undoubtedly will accrue to the leaders of this industry in St. Louis, if Mr. Sorger's suggestion bears fruit.

"Many manufacturers in years past have set up factories in small communities at some distance from St. Louis," he adds.

"With the proper facilities, it will be possible to bring these factories back into the city and enable them to manufacture under one roof, under individual supervision. This would improve production and create a more efficient labor market in the needle industry."

Just what Mr. Sorger proposes is not so important nationally as the fact that St. Louis is thinking today of tomorrow's problems and that in postwar planning, he is following certain guide-posts that should be of help to every civic group thinking of similar government-owned plants and equipment in their own cities:

First: he is planning for an industry with which he is familiar.

Second: he is planning specifically, realizing that it is only by attacking specific problems that the overall problem of postwar unemployment will be cured.

Third: he is planning practically and economically.

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Originators of Snubbing Principle for Quieting Diesel Exhausts

BURGESS SNUBBERS

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OR INVENTION Looking for cooperation in postwar manufacture and marketing of metal or wood products that can be sold to sporting goods and hardware jobbers? Manufacturing and sales rights to such articles are sought by the largest manufacturer-rated AAI-of an important item sold through these channels. Modern equipment and skilled personnel offer you ample production facilities. Well established contacts will speed success of sound invention or new product. Write for interview or further information. Briefly describe your product in reply. P. 0. 80X 1287-C, LANCASTER, PA.

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Is the Latest and Best in Industrial Fluorescent Lighting!

Light is essential to speedy, efficient work! For industrial lighting that's thoroughly modern and scientific, investigate the new GUTH SUPER-ILLUMINA-TOR. It's an engineering achievement in Fixture designing which conforms to W. P. B. metal limitations—yet is rigid—substantial.

The Accessory Housing is die-formed from a single sheet of steel. It has added strength—extra good looks—but costs no more than ordinary Fixtures!

Here's Something Completely NEW in Fluorescent Lighting! GUTH QUICK-LITERS are identical to SUPER-ILLUMINATORS except that they are built with special ballasts; perfected for speedy, efficient action. Quick, positive starting—with-out the use of Starter Switches! Lower operating costs! Tested in use over a year-approved by users everywhere!

W. P. B. urges good lighting for War Industries. If you are doing War Work, you are entitled to new Fluorescent. See your nearest Electrical Wholesaler for details.

Write or wire collect. Representative will call with actual samples to demonstrate superiority of those GUTH Fluorescent Fixtures.

The EDWIN F. GUTH



Home Building Down to Earth

(Continued from page 32) who have learned some healthy lessons in the past 13 or 14 years about financ-

ing homes.

It will not be amiss to talk about some of those lessons which home mortgage lenders have learned.

Most important, to my way of thinking, is the lesson that the character of the wage-earner and of the other members of his family is almost as important as the real estate appraisal as a basis for a decision to lend a man money for a home.

We can afford to finance much more modest homes than the prevailing theories of the 1920's and 1930's would suggest, because reliable citizens who own homes usually pay their debts. The hazards of home ownership are in the broad fields of general employment, depresbanking stability, real estate sions. taxation.

Another lesson we have taken to heart is that longer terms to pay off a loan, with the attendant smaller monthly payments, give assurance to families on a home-ownership program. People like to feel that, in an emergency, the contractual loan payment is only \$25 a month instead of, say, \$35, which looks much larger. We have discovered that almost without exception, they make larger payments each month than the contract requires.

That, in the small home field, cash down payments can be more modest than they have traditionally been, is a third lesson which mortgage lenders

can and will use in adjusting to the needs of this great building program.

Also we have discovered that we are in an era of lower cost money. Interest rates are only one of the costs of home ownership, of course, and the fact that they have been lowered should undoubtedly lead the way for a fall in other costs of the home, a fall which is in the interest of both producer and consumer.

Certainly we have been convinced that the lending procedures of private mortgage lending institutions can be simplified and adjusted better to the needs of the borrowers. The lesson in that home financing isn't a rigid, legalistic financial transaction, but a joint venture of lender and borrower in planning and proprietorship. Adequate financing of post-war home building will mean a return to the original principle that the borrower will do business with a local lender who can give him advice as to his holdings and deal with him sympathetically as his troubles occur.

Our experience of the past ten years has demonstrated the definite need for monthly amortization of taxes and insurance on the property securing the loan. The borrower is helped and the lender has an additional safeguard. Such a device will inevitably be part of the postwar home lending plan.

These lessons will be reflected definitely in the mortgage lending operations with which the backlog of homebuilding orders will be financed. It is true, however, that those who pass the laws must remember that building re-

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"We need a filing clerk desperately! Do you know the 26 letters of the alphabet in their correct order?"

NATION'S BUSINESS for October, 1943



How Washington is helping us win

At Valley Forge, at Trenton—somewhere, General George Washington uncovered an American principle that will win this war for us. He discovered that Americans, shoulder-to-shoulder, can generate an extra effort that's often the margin of victory.

It's working today—just as it did in our original battle of freedom. Of course, our soldiers aren't ragged and hungry as Washington's men often were—but you'll notice those medals the boys are winning are rewards for merit beyond the line of duty.

It holds for the home front, too. We've noticed it in the fire insurance industry. There are fewer men available, severe transportation difficulties, and more work than ever. Yet pro-

tection is still being given—you don't see any signs "Sorry, No Insurance." And just for good measure, you'll notice that insurance agents are in the forefront of civilian defense activities.

Our company keenly feels the need to contribute our modest "something extra", so . . .

All new gross premiums collected by The Home for the balance of 1943 are being invested in War Bonds—OVER and ABOVE its normal bond purchases.

THE HOME & Insurance Company

NEW YORK

FIRE * AUTOMOBILE * MARINE INSURANCE

Ninetieth Anniversary Year

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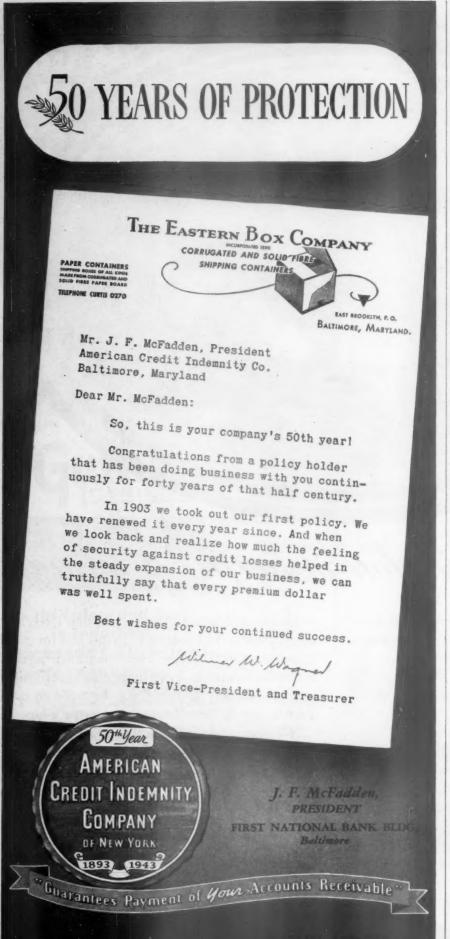
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strictions and the difficulty of repossession by the finance man only work a hardship on those who are trying to acquire a home place. Repossessions should be simple and quick.

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Mortgage lenders who are going to finance postwar residential building have learned one other thing. They are now willing to admit that, although it is desirable for everybody to live in his own home, there are some reasons why some people must continue to rent. This being the case, the postwar period will bring some realistic appraisal of the needs for credit in the rental field. The builder of a four-flat or a small apartment building will find credit available in savings and loan institutions.

Capital will be available

NOW in discussing residential building after the war every business man eventually reaches the question, "Will the dollars be available?"

Well, in the savings and loan field which I know best, there will be 5,000 active, effective savings and loan associations operating in all our different communities; ready to lend money for building homes and small apartments.

If we build 1,000,000 houses a year, let us assume that three-fourths of them will need long-term mortgage financing. The savings and loan associations alone will be prepared to provide half to two-thirds of this credit on the basis of the present trends in their inflow of money, cash, liquid securities, and reserve credit facilities. Furthermore, the mortgage companies, commercial banks, and individuals will provide more.

Certainly no one in government can frown on the ability of private enterprise to do this home-financing job. Private enterprise has made some mistakes. But let us face the fact that no country has ever accomplished anything gigantic without making mistakes.

Nevertheless, we in America have built up the greatest physical plant in the world for living, working and pursuing happiness. From a scattered few homesteads we have progressed to 35,000,000 dwelling units. From the \$500 which the first community home-financing institution was able to get togethe out of people's savings to lend a village lamplighter, we have progressed to a \$20,000,000,000 credit structure, able to finance \$3,000,000,000 to \$4,000,000,000 of mortgage lending a year.

That progress has been the result of adaptations to changing conditions and of the continued application of common sense to one's neighbor's problem of where to get the money to build a home. Savings and loan associations, which make the business of home financing their specialty, have made 12,-500,000 to 15,000,000 loans since their operations began. In 1928 they made 615,000 loans for home purchase or building. If the United States really needs 1,000,000 homes after the war, savings and loan associations and the supplementary private sources of mortgage money know they can provide money on terms which the public wants and understands and can repay.

So You Want to Buy a Farm

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(Continued from page 26)

on buying a farm, spend some time doing so. Ask the land banks and the insurance companies what they have in the locality you prefer. Financial institutions with only a few remaining foreclosed properties will sometimes dump them at a big discount. I know one farm in Iowa that was marked down from \$20,000 to \$14,000 because it was the last holding of an insurance company in that locality.

After you have chosen the prospective purchase, consult with some people who know the locality—if you don't yourself. Talk with the county agricultural agent, and possibly have a farm management service make a detailed report. That will cost \$25 but will be worth it.

The strange thing is that only the years will tell whether or not you got a bargain. Several men from an adjoining state have been buying land in a certain section of Iowa. Generally the choice land is a narrow strip through that section. That on either side is not supposed to be as good. These men are outside the hallowed ground. They get 12 to 30 per cent on their investment. But some of the natives shake their heads.

"Just wait," they say. "Some day the waters will come." They still recall the



story of the Omaha doctor who had just come to town to pay up on the land he had purchased. Off in the distance he could hear the sound of rushing waters. He arrived just in time to see a Niagara Falls bursting over his land and a force of men working frantically to plug a hole in the drainage dike. He went back to Omaha with the money still in his pocket.

Omaha with his money

But farming is like the measles. You have to have an attack to understand the disease.

Don't get panicky, or let some real estate man get you that way and grab anything in sight. Remember what one old fellow said: "Some of the best deals were those I never made."

It may be as much fun looking as owning the place anyway.

* WARD LAFRANCE... MEANS "Special"

This organization has for twenty-five years devoted itself to the needs of those with special motor truck requirements, which cannot adequately be met by equipment designed for general-purpose applications.

If your motor transportation problems are different and difficult—you should investigate the advantages of Ward LaFrance special trucks now. Today Ward LaFrance is turning out special Army trucks with heartening speed—but its engineers will gladly consult with you on your postwar needs, and cooperate with you in every possible way.



Refrigeration Truck



Special Heavy-duty Load Chassis



Heavy Wrecker M1

Ward LaFrance TRUCK DIVISION TRUCK DIVISION TRUCK DIVISION TRUCK DIVISION

1943 G.A.I., Inc., Meriden, Conn.





Here is a way to cut fuel bills as much as 40% while you enjoy cozy warmth and snug comfort!

Insulate your home now with the type of Celotex Insulation that will fit the job best. Get maximum results from your rationed fuel!

Talk to your Celotex Dealer now! Get a free estimate on insulating your home with Celotex Insulation Board, Rock Wool or Rock Wool Batts. You'll be agreeably surprised at the low cost.

Your Celotex Dealer is a good man to know.



Bringing in the Crops

UNDREDS of thousands of tons of tomatoes rotted in California fields last year because labor for handling was not available. Since California believes that farmers, who have dared the risks of planting crops as the Government requested, should have all the help they can get, steps were taken to guard against a repetition this year.

With that end in view, the state's legislature met in Extraordinary Session called by Governor Warren last March. The outlook then wasn't bright. The state which usually produces 46 per cent of the fruits and vegetables sold commercially in the nation had leaped into first place in plane and ship construction. This meant that industrial plants were taking laborers by hundreds of thousands, Selective Service was getting its share—and, to meet this manpower need, there was no labor reservoir nearer than the Middle West.

To meet this problem two federal agencies—the U.S. Employment Service and the Farm Security Administration—were already operating in the state.

The first was doing a job in recruiting and placing the inadequate local supply of labor but, from the point of view of the farmers, it was largely industry-minded and in many places was an all-too-efficient siphon for labor from the farm to the factory.

The FSA, instituted as a sort of rural social uplift organization, had neither the set-up nor the personnel to handle the burden of importing laborers from Mexico and from submarginal farming areas.

The legislature felt further that the policy of relying almost wholly on federal planning and supervision had already gone entirely too far and that the powers of the state and local governmental organization should be reasserted. It accordingly created a Food and Fibre Council with a membership of seven farmers representing different branches of agriculture and an appropriation of \$1,800,000.

Local problems studied

UNDER the law, each farming county in the state sets up a local council appointed by the County Supervisors from a list of farmers submitted by the County Agent and the County Horticultural Commissioner.

On these councils rests the job of determining just what the local problems are and the method to be used in solving them. Having exhausted local efforts at solutions, they may call on the State Council.

The State Council analyzes each local council's request in the light of its relation to the overall crop situation. These estimates showed, among other things, that the 24,000,000 man-days of seasonal labor needed to harvest crops already planted was seven per cent below the amount of seasonal labor required in 1942, a decrease largely due to the fact that farmers had shifted to crops requiring less hand labor.

To Mexico for workers

THE State Council, although it is a legal entity and might proceed on its own, decided that, for the best interests of all concerned, it should cooperate with the federal agencies which now number three as a result of an act passed in April which adds the Federal Agricultural Extension Service to those which had been dealing with state farm problems.

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Through this teamwork efforts were begun to assemble 5,000 Mexican nationals to take care of smaller farmers who are not able to enter into long-term contracts guaranteeing the necessary requirements set up by the international agreement.

The Council also made plans to provide housing for approximately 40,000 farm laborers for the 1943 harvest in either new or remodeled houses meeting the requirements of the state housing and sanitation standards.

Help in meeting the housing need came from FSA, which turned its transient camps over to the Council, and from the Relocation Authority of the federal Government which turned over a considerable portion of the Japanese concentration camps.

The Adjutant General of the State Guard has turned over to the Farm Council all equipment recently used by the Guard including 100 trucks.

The Council also worked with the State Board of Education, YMCA, YWCA, Boy Scouts, Girl Scouts, American Women's Volunteer Service, Young Men's Institute, Young Women's Institute, B'nai Brith, and other semi-public agencies in recruiting members of their organizations for volunteer work in the harvest. The Council has budgeted \$100,000 out of their appropriation to assist in this work.

—A. J. McFadden



A silent, deadly rain of destruction for tyranny drifts down out of the skies from huge transport planes

-Douglas C47's, the same tough,
dependable "work horses" of the Army Air Forces that wing their way over Africa, Sicily, and the Pacific islands bringing guns, ammunition and medical supplies to the fighting fronts and flying out the wounded.

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"Give us plant capacity—quick! Give us men with 'know-how', men whose experience and resourcefulness fit them to tackle anything! We need them NOW!"

This was the call of America's aircraft builders, spurred by war's desperate haste. They needed help-and got it; found the plant, the management, and men-at Pullman-Standard. Here was experience in working and fabricating aluminum - Pullman-Standard had handled many millions of pounds of aluminum, probably more than any other single fabricator outside of the aircraft industry. For years, in building streamlined trains, Pullman-Standard had been a laboratory for developing and testing alloys and fabricating methods—and so these plane builders came to "head-quarters" for the help they sought!

It was no accident that made Pullman-Standard specialists in wings for the Douglas C47's—the Skytrain—and when Douglas planned the mighty C54, the largest cargo plane in full-scale production, Pullman-Standard's past record made it the logical choice for more work wings and tail assemblies. For Pullman-Standard's development of streamliners was ideal training for builders of aircraft assemblies. To these pioneer car manu-

NVASION! ON WINGS BUILT BY

PULLMAN-STANDARD

facturers who built the first lightweight streamlined train in America, the fabrication of compound curves of aircraft was indeed no problem.

And who is turning out these great wing assemblies? Thousands of keen, eager workers! 40% of them are women. Some of the workers are old-timers back in harness from the retired list. All new employes are trained in vocational classes that never stop-tough courses in riveting, shaping, assembling, supervising, inspecting. Here, truly, is a well-disciplined, hard-hitting team that wants Victory—and wants it quickly!

Absenteeism? They have made a record as low as 1.72% at a time when the U. S. Bureau of Labor Statistics showed a figure of 7.2% for the combined airframe industries for the same period.

Short cuts, better methods?-plenty of them; some received via the Suggestion Plan which for 20 years has been a vital institution in all the Company's plants. One ingenious suggestion on wingtip fabrication made it possible to do in a single operation what had always before required seven separate operations.

Safety? An excellent record. The first seven months of 1943 showed only 3.24 accidents per million man-hours.

And so it is that Pullman-Standard is turning out aircraft assemblies on timeoften ahead of schedule; and saving countless dollars for American taxpayersproof that the democratic incentive plan pays rich dividends in increased production and conservation of man power.

And what of the future?

Versatility, teamwork between workers and management, the initiative and resourcefulness that enabled Pullman-Standard to become shipbuilders, makers of tanks and howitzer carriages, bombs and shells, trench mortars and aircraft major sub-assemblies-these are solid assurance that the future is in capable hands; for out of war's gruesome business will come many contributions to human happiness and comfort. Today the all-compelling goal is Victory-that purpose which makes all else unimportant. * *

With our skills trained and sharpened; with engineering and scientific improvements and new discoveries in metallurgy; with more efficient manufacturing methodsall stemming from the great laboratory of war production-we shall give to the world better facilities for railroad transportation. America will ride in even greater comfort, and ship its goods in cars lighter in weight, cars that save operating costs for the railroads and amply satisfy all rigid standards of safety. This is but one of Pullman-Standard's post-war promises to America.

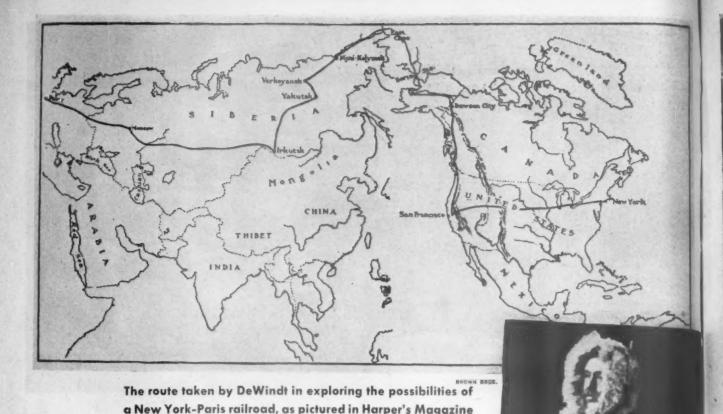
* BACK THE ATTACK-WITH AN EXTRA BOND

*

Employes of Pullman-Standard are currently investing 10% or more of the total Company payrolls in war bonds.

PULLMAN-STANDARD CAR MANUFACTURING COMPANY

Chicago, Illinois... Offices in seven cities... Manufacturing plants in six cities



A Rail Dream that Almost Came True

By C. H. CHAMBERS

N A RECENT cartoon, J. T. Mc-Cutcheon offered a few suggestions for the help of parlor strategists. He proposed the draining of the Atlantic to write off the submarine menace, the deflecting of the Japanese Current to put Japan in the Arctic Zone, and the establishing of lines of communication with Mars to get their latest devices for total killing. His four-star idea, however, which he labelled Plan No. 1, was a proposal to flank Japan and Germany by extending the Alaskan-Canadian Highway to Russia, via Bering Strait.

To McCutcheon this suggestion apparently was as fantastic as the others he advanced, but there are people to whom the suggestion did not seem especially preposterous. They remember that, in the late 90's and early 1900's, the proposal for an all-land route connecting Europe and the United States by way of Siberia was discussed as not only possible, but even practical and probable.

At the turn of the century, people were extremely railroad-minded. In the era just preceding, railroad lines had spread across the United States and Canada, across Europe and far eastward into Asia, down through South America. In fact, wherever the great grasslands had been opened up to immigration, the railroad had pushed ahead or accompanied.

To men of such a time a through railway line stretching the 18,000 or so land miles from New York to Paris or Lisbon seemed just another railroad, and the 40 mile channel of the Bering Straits, the only serious water barrier, was not too formidable—at least on paper. It could be bridged or tunneled.

The idea occupied considerable space in the press of Europe and America around 1900, and even the astute Edward Henry Harriman, then president of the Union Pacific Railroad, played around with it. Indeed, it is possible that, had Harriman lived



DeWindt traveled 18,494 miles, called the railroad possible

to be 72 instead of dying ten years earlier, a railroad line practically girdling the globe would have been completed. Harriman had plans for those ten years which he did not get.

It was a proposition with definite potentialities. Such a railroad, besides providing cheap transportation



...compliments of Milwaukee Road "white coal"

ALLIED bombers are raining ruin on the strongholds of the Axis, wrecking war production centers, transportation facilities, docks and warehouses. Do you realize that the fuel The Milwaukee Road is conserving by using "White Coal" may be helping to deal those crushing blows?

This "White Coal" is electricity from mountain water power, used for years to move Milwaukee Road trains across the Rockies, Bitter Roots and Cascades. How fortunate that this electrification was functioning with proved efficiency when war came! It conserves many millions of gallons of oil that help provide America's ever-growing air armadas with needed flying power!

What's more, Milwaukee Road "White Coal" makes it unnecessary to tie up precious railway equipment in hauling fuel to our mountain divisions. This means more freight cars available to help ease the national transportation situation.

With a vast network of lines stretching across the continent from the dynamic midwest to the vital ocean ports of the Pacific northwest, The Milwaukee Road is handling a traffic volume these war days that was never approached before.

Heavy service, of course, is exacting its toll of all railroad equipment. But modernized operating methods—plus the active co-operation of shippers and essential travelers—enable The Milwaukee Road's 35,000 loyal, alert employees to do their full share for Victory.

THE MILWAUKEE ROAD

ELECTRIFIED OVER THE ROCKIES
TO THE SEA



between the old world and the new for bulky industrial, agricultural and structural products, would have opened up for exploitation the largest continuous expanse of land in the world-Siberia-a country so vast that one could nicely set all the United States, Alaska, Europe-with the exception of Russia-down within its borders and still have some 300,000 square miles left over. Siberia's land area could absorb millions of additional population; it possesses unlimited resources of silver, gold, antimony, platinum, aluminum, copper, coal, oil, lead and iron, still practically untapped. It has a virgin forest zone, from 600 to 1,300 miles wide and extending for 4,600 miles.

Intriguing proposition

IN ADDITION, it has countless acres suitable for high production under modern mechanized agriculture. Right now, Siberian expansion is pretty much limited to Soviet people but, in the days of Harriman, the story might have been different.

In fact, had the projected railroad been built, the whole course of eastern diplomacy might have been changed and two major world wars averted, since Man usually does not start tearing things down while he is busy building something up. Siberia would have presented a wide outlet for his constructive energies.

The prospect of a Franco-American—or 3-A Railroad as it was sometimes called—intrigued the little men and the big men of the late 90's no end. After the press of both continents had booted it around for a while, someone decided to do something realistic about it. French capital backed an expedition to find out whether construction of such a road was really possible and what obstacles, if any, were insuperable.

An Englishman named DeWindt, who claimed Paris as his home, headed up the expedition. His specific problem was to cover mile by mile the whole distance from New York to Paris by whatever means of transportation he found available, minutely observing and reporting on the characteristics of the country through which he passed. The complete overland journey had never been made or even attempted before and much of the territory was unmapped and unexplored.

DeWindt had a handle-bar moustache, a flair for clothes, and looked as if he would be infinitely more at home on the boulevards and in the cafés of Paris than on the frozen wastes of Siberia, with the temperature at 75 below and an Arctic wind howling over the snow-swept plains;

but he seems to have been not only a born adventurer but an extremely good sport.

He accomplished in his own particular way a feat which has never

quite been duplicated.

He left New York City in the spring of 1896, went up through Winnipeg, Canada, to St. Michael on the west coast of Alaska. From there a U. S. revenue cutter took him to Cape Khoplin on the Asiatic shores of the Bering Sea where he contracted with the chieftain of a native Tchuktchi tribe for dog sleds, guides and equipment to take him on the next long leg of his journey westward along the polar shores of eastern Siberia.

Once the revenue cutter had departed, however, the chieftain broke the news that the sleds and supplies he had promised simply did not exist. He suggested that DeWindt cool his heels until the following July when the revenue ship would be back on a routine trip. Furthermore he interned DeWindt's companions, confiscated his provisions and drank his liquor.



Had Edward Harriman lived, two
wars might have been averted

But DeWindt wasn't an Englishman for nothing. He had brought along a little silk Union Jack and if there is anything an Englishman believes in besides God and himself, it is this symbol of the British Empire. He took the flag down to the beach and, since nothing else was available, he nailed it to an old whale-rib and hoisted it up along the shore.

Sure enough, in a matter of hours, a long over-due whaling vessel—which should have been out of those icy waters weeks before—saw the Union Jack, pulled inshore and took De-Windt and his men back to civilization.

DeWindt did not want to risk meeting the Tchuktchi chief again. Besides, the journey promised to be easier made in reverse, since the first 4,000 miles could be covered by rail.

So, when DeWindt started out again in December, 1901, he left from Paris, with a planned itinerary some-

thing like this:

From Paris east to Irkutsk, via Berlin and Moscow, by Trans-Siberian Railway, which at that time ran two trains a week-4,000 miles: from Irkutsk northeast to Yakutsk in the gold mining region, by horsedrawn sleigh-1,800 miles; from Yakutsk through Verkhne-Kolymsk and Sredne-Kolymsk, over one of the highest mountain passes in the world. northeast to Nijni-Kolyoysk, the most remote Cossack outpost on the Arctic Ocean, by reindeer sleigh-1,500 miles; from Nijni-Kolyoysk east along the shores of the polar sea to East Cape, the easternmost point on the Siberian side of the Bering Straits, by dog-sled-1,200 miles.

No trails or maps

HE actually traveled 11,263 land miles in covering this territory—practically all the time in temperatures ranging from ten to 75 below zero—with neither trails nor maps to follow from Nijni-Kolyoysk on into East Cape—a two months' journey by dog-sled.

From East Cape he crossed to the Alaskan side of the Bering Straits by U. S. revenue cutter, arriving at Cape Prince of Wales in July. His journey from then on was relatively simple, to St. Michael, Nome, Dawson, then down to Vancouver and San Francisco, thence across to New York. He arrived there in August, 1902, after a land journey of 18,494 miles.

He had routed himself so that Siberia could be crossed in winter because, from Yakutsk east, the country was a continuous stretch of swamps and lakes, frozen in cold weather but impassable in summer—even the natives of the region never attempted to travel between May and September.

DeWindt's conclusions were rather mixed. He conceded there were two or more available routes, both starting from Irkutsk—then the eastern terminus of the Trans-Siberian Railway—over which a railroad to the Bering Straits could be built, but he said unlimited capital would be need-



WHY MORE EMPLOYERS ARE ADOPTING

Employee Pension Plans

A suitable pension plan, soundly financed, establishes more stable, more satisfactory employee relations. Here's why, logically—

- 1. It relieves employees from worry about *financial security* in old age by providing benefits supplemental to Social Security.
- 2. It provides automatic retirement which keeps the avenues of promotion open to younger employees.
- 3. It affords an effective financial consideration for employees without increasing free spending power—coinciding with governmental anti-inflation measures.

Such a plan creates an impelling incentive for long-time loyal service, increases efficiency and decreases turnover, thus reducing payroll costs.

A 90-page summary of the fundamentals of formulating and financing pension plans is now available. There is no obligation entailed in writing for this study, so write us now and have the facts when you need them.

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

Pension Trust Division

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Gloves give extra protection against
heat and wear. Keep production' rolling. "Entire back cut in one piece from
special tanned heat-resistant lenthers.
No seams in back. No burned-through
or ripped seams. Wool heat breaker
lining inside back for added protection.
Finger seams welted at points of greatcest wear. Widestrap thumbreinforcement. Try a pair. Only \$1.85. Outlast
other gloves. Order No. 13475 nous
from jobber or direct. 10% discount on 11
pair lots. Write for welders' clothing catalog.

INDUSTRIAL GLOVES COMPANY
685 Gorfield Boulevard
Danville, Illinois
(In Canada: Safety Supply Co., Toronto)

Third
War
Loan
Buy
More
Bonds

ed. He considered a southern route more desirable. On the one he had followed were some 3,000 miles of tundra, on which a pile construction would have to be used for road-bed, and for which all wood and maintenance materials would have to be brought in. (The same situation applied to much of Alaska, as the builders of the Alcan Highway discovered this past summer.)

A line farther south, going from Irkutsk to Yakutsk to Okhotsk on the Sea of Okhotsk, then north along the coast to the Straits, would have the additional practical advantage of opening up the mineral and timber resources of the Kamchatka peninsula, as well as all the wealth of the Yakutsk, Amur, Anadyr and Lena Valley regions.

Tunnel under Straits

IN DEWINDT'S opinion, bridging the Bering Straits was out of the question. No structure could withstand the breakup of the ice in the spring.

He thought, however, that a tunnel might be practical since the Straits are only about 150 feet deep at their narrowest point and the Diomede Islands midway in the channel could be used for surface stops. The French followed up this idea to the extent of actually preparing estimates, in 1906, of the cost of such a tunnel.

Harriman's interest in the European-American Railroad was not so generally known. However, he was a man with a genius for long-range planning and execution, and a project as stupendous and full of possibilities as a direct New York to Paris route appealed to him. He was willing to back up his personal faith in an enterprise with every dollar he owned and, since his judgment was considered almost infallible, he would have had no great difficulty in getting additional financial backing.

In the summer of 1899, he equipped, financed and managed an expedition to the Alaskan and Siberian shores, taking along a shipload of scientists and explorers. Their findings were never made public to any great extent.

In 1905, he made a whirlwind trip to Tokio, coming back with contracts said to be so important and far-reaching that, had they been carried out, history might well have been changed. In 1908, he had estimates made of the expense involved in crossing the Bering Straits with a solid fill of granite.

Harriman died in 1909. With him died an epoch—the age of railroad building—at least, railroad building by private individuals with private capital.

Whether in the years after the war men will pick up where Harriman left off and develop an all-land route connecting Europe, Asia and America, either by rail or international highway, only the future can say. Naturally it will be simpler just to board a plane in Seattle or Washington and fly to Moscow or Chungking via the North Pole route; but for heavy freight and for John and Jane Jones, who live on a budget, a good de luxe Limited might be more satisfactory.



COMING UP!...a 400 mph hurricane

made to order for Uncle Sam

When nature stirs up a 76-mile per hour wind it's called a hurricane. But at Wright Field aeronautical laboratory, Air Force engineers can now "turn on" a wind of 25 times that forcewith velocities up to 400 miles per hour.

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As this hurricane howls through a huge tunnel, past plane models 16 feet in span, engineers watch through sealed windows in the test chamber. Design faults are corrected before planes go into actual production. Hundreds of hours and scores of lives are thus saved.

To push air around at such speeds, two 40-foot propellers are required, each with 16 blades, each blade as large as the wing of a small plane. Propeller assemblies weigh 41 tons apiece. Driving these huge fans is a 40,000 hp induction motor, the world's largest-designed and built by Westinghouse.

In designing this 125-ton power plant, Westinghouse engineers worked for months with engineers at Wright Field. In addition to its great size, many other problems had to be solved. The drive must be capable of wide speed adjustment-and be able to hold any desired speed constant. These and other problems all were satisfactorily solved.

Such co-operative effort is typical of W. E. S. This kind of engineering service is available to you, on any problem involving electrical power. Just phone your nearest Westinghouse office. Westinghouse Electric & Mfg. Co., E. Pittsburgh, Pa.

ESTINGHOUSE GINEERING ERVICE

A nationwide corps of engineers offers you electrical and production experience gained through years of working with your industry.

These men can give you assistance on

these vitally important activities:

Product development: engineering of equipment to meet war requirements. Maintenance: help in making exist-

ing equipment serve better, last longer. Rehabilitation: redesigning and rebuilding obsolete equipment for useful service.

Material substitution: adapting available replacements for critical

W. E. S. is available to all industries. Put it to use today on your production problems.





How Will the Consumer Fare?

By ART BROWN



American consumer last year bought more goods than ever before, reports the Federal Reserve System.

Retail sales in 1942 totaled \$56,-200,000,000-four per cent more than in 1941, and 23 per cent more than in

The consumer has been buying heavily, too, in 1943. For the first seven months of this year, department store sales in dollars were 15 per cent ahead of the corresponding period last year.

When manufacture of peacetime products was curtailed shortly after we entered the war, distributors and

WITH ready money to spend, the retailers had large inventories. Out of this supply, the consumer has been enjoying a high standard of living.

Now the stocks are running low. In some cases, says the War Production Board, inventories are below the danger point.

"For the second six months of this year," predicts WPB, "the volume of civilian business will be 20 per cent lower than for the second six months of 1942."

Last spring, when WPB was planning ahead, there was talk of putting the public on a program of "bedrock economy." At that time, the Office of Civilian Supply recommended a cut

in WPB, determines the types and quantities of goods the consumer needs to stay well, happy and efficient.

Materials and production facilities required for civilian necessities are. fitted into WPB's quarterly allocations on the same basis as supplies for the armed services and Lend-

OCR has agents in every trading area to spot shortages of essential items before they become acute. Then arrangements can be made to transfer supplies from other regions where there is an abundance, or to resume

Through the operation of this sys-

You don't have to wait until after the war

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ALL OVER AMERICA people today are asking questions. They are wondering about the kind of products they will be able to buy after the war.

What will the new automobiles be like? Will synthetic tires *really* outlast our cars? What new miracles can we look for in radio, television, home refrigeration and air conditioning?

But you don't have to wait until the war is over to enjoy perfection in one of the good things of life. Today, in Schlitz, you are truly drinking the beer of tomorrow.

Keeping a step ahead is traditional at Schlitz. Those well informed on brewing know that for nearly 100 years Schlitz has pioneered almost every major advancement in the American brewing art.

And most important of all, Schlitz now brings you just the kiss of the hops—all of the delicate flavor, none of the bitterness. That famous flavor found only in Schlitz tells you that you don't have to wait until after the war to enjoy your post-war beer. The beer of tomorrow is here today!



Copyright 1943, Jos. Schlitz

Invest in Liberty!
BUY WAR BONDS

THE BEER THAT MADE MILWAUKEE FAMOUS

Brewed with JUST THE Kiss of THE HOPS - none of the bitterness

tem, a threatened shortage of winter underwear was recently avoided; also a shortage of floor mops. Steps may be taken to deal with the dearth of electric irons, washing machines and mechanical refrigerators.

Through the action of OCR, 125,000 tons of steel (four-fifths of one per cent of the nation's expected output for the last quarter of this year) was allotted recently to the manufacture of such things as bobby pins, hooks and eyes, needles, pins and kitchenware.

"That's no sign that a manufacturing spree in civilian goods is beginning, warns Mr. Whiteside. "We are trying to see that the consumer is taken care of,

but the war comes first."

Products simplified

AS AN attack on potential shortages, WPB has launched a program to simplify consumer goods. More than 200 items have already been standardized and 800 more are on the list, including everything from blankets and brushes to pie plates and pottery. This program, according to Howard Coonley, director of WPB's Simplification Branch, "will reduce inventory requirements about 25 per cent, and increase the productive capacity of the nation's machines by about 15 per cent."

By way of example: Formerly there were 3,500 types of electric light bulbs

themselves out of business, because of inability to replace stocks," says the National Retail Jewelers Association. American watches, silver plate, basemetal jewelry and fountain pens are either not available or stocks are limited.

WPB has warned beauty shop operators that there is little likelihood the squeeze on beauty supplies will be eased before the war is over.

"The beauty shop is desirable from the morale viewpoint," says C. A. Willard, deputy chief of the Drugs and Cosmetics Branch, "but the shortage of alcohol and oil products makes it necessary to conserve materials."

Victory in North Africa has made it possible to import from the Mediterranean area some limited quantities of grass oils and other materials used in perfumes and cosmetics. Stocks of these materials were almost exhausted and manufacturers were turning to synthetics. On most cosmetics, the industry now expects to meet holiday needs. Prices, regulated by OPA, will be about the same as last year.

Cigar smokers are finding it difficult to buy their favorite brands, especially in the low-price field (which represents three-fourths of the domestic output) the Cigar Institute of America reports. Three reasons: expansion of Army and Navy orders, rising domestic demand,

and labor shortage.

Another stumbling block to cigar pro-

Let us hope we'll not come to this, as have the Danes, but if we are to have private transportation, we'll have to stretch our automobiles

for household use; today there are only 1,700. This one simplification alone has saved 8,000 pounds of tungsten. Standardization has reduced the number of varieties of glass bottles and jars from 15,000 to 100, not counting certain special designs still in use.

No longer is the consumer the forgotten man-or woman, as the case may be. But he is going to find himself lacking luxuries.

Jewelry, for instance. "Seven out of every ten jewelers have just about sold

duction is the wrapper. Filler tobacco comes from the northern states and from Cuba but the silky leaf for the outside skin is increasingly hard to obtain.

The 1941 Sumatra crop of wrapper tobacco got in under the wire just before Pearl Harbor. None, of course, has come from there since. Our domestic output of wrapper leaf was boosted last year by 1,300,000 pounds-about a fourth as much as we used to import in a good pre-war year. It is not easy to step up the production of wrapper

tobacco because of the labor shortage,

A shortage of wine, consumption of which has increased in America in the past few years, is in prospect. California is counting on the second biggest grape harvest in ten years-but Uncle Sam will turn as many grapes as possible into raisins.

On the necessity side, America's supply of leather is the lowest in 20 years the shoe and leather trades report. A serious shortage of sole leather may de. velop. Estimated demand for 1944, according to WPB, is for 550,000,000 pairs of soles, with only enough leather in sight for two-thirds that number.

No tightening of shoe rationing is expected, but the consumer may have to forego high-quality, longer wearing shoes, and get along with cheaper ones of which the retailers still have large stocks. Substitutes for sole leather include wood which is made flexible by cutting slits in it, and chemically treated plywood. Full leather soles for shoe repairing are banned.

Manufacture of hosiery is holding up. For the first six months of 1943, shipments of women's hose were ten per cent ahead of the first half of last year, the National Association of Hosiery

Manufacturers says.

In the first six months of this year. the industry turned out 4.3 pairs of hose for each of the 53,000,000 women in the country 15 years old and over. For every 35 women, there was one pair of fullfashioned Nylon stockings; and for every 44 women, one pair of silk stockings.

Supplies of Nylon and silk are running low. There probably will be no more until after the war. Eight out of every nine pairs of women's stockings are now of rayon-and are a big improvement over the rayon stockings of a year ago. A new process known as "high twisting" adds more fibers to a single thread without making it too thick. The strength and elasticity of the new yarn make possible a more sheer hose.

Sufficient clothing

"CLOTHING need not be rationed," says Donald M. Nelson, WPB chairman. "The supply of textiles is adequate to meet all military and civilian needs. Major problem is to see that it is properly distributed."

WPB has declared the textile industry essential. Steps have been taken to increase the production of fabrics for civilian use. Mills are now being operated on three shifts. Prompt attention is being given requests for repair parts and needed equipment. To simplify operations, the number and varieties of fabrics have been reduced.

Clothing retailers have voluntarily agreed to try to keep down sales volume by refraining from using "fear-of-scarcity" appeals in their advertising and selling. The industry is cooperating with WPB in an educational campaign designed to show the consumer how to conserve clothing.

The outward appearance of men's and women's clothing has not changed much in recent months, but quality in some

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The Bureau of Labor Statistics has a large force of agents throughout the country who check clothing quality. Not only do they examine goods on the market, they make actual purchases to be tested by the Bureau of Standards.

Findings show that men's shorts are shorter, pajamas skimpier. Plastic buttons have replaced metal snaps. Garters are short of elastic. Cheaper cotton fabrics are being used for women's dresses.

Furniture available

GENERALLY speaking, there is still a fair stock of furniture on the market, except in the war plant areas. Manufacturers of wooden furniture were able to maintain high production levels much longer than most other manufacturers of consumer durable goods, although the furniture trade admits that quality has been slipping.

The supply of furniture available next year will perhaps depend on whether or not the ceiling price is raised on hard-wood lumber. Many of the mills say they won't cut timber this winter unless they

can get higher prices.

On carpets and rugs, the outlook is not bright. For more than a year, mills have not been permitted to process more than 25 per cent of the wool used in 1941. Moreover, there is a shortage of the heavy, rough wool required for carpet making.

Rug wool comes from India, China and Argentina. None of this type of wool has entered the country in a year. Manufacturers expect to use up their

present supply by spring.

Pianos, on which production was halted more than a year ago, are scarce. Innerspring mattresses have just about disappeared. Woolen blankets will remain scarce for some time, because limited production facilities are still busy grinding out huge "stockpile" quantities ordered last May by the Navy and the Army Medical Corps. Lamps are getting hard to find. There is an acute shortage of electric bulbs and radio tubes.

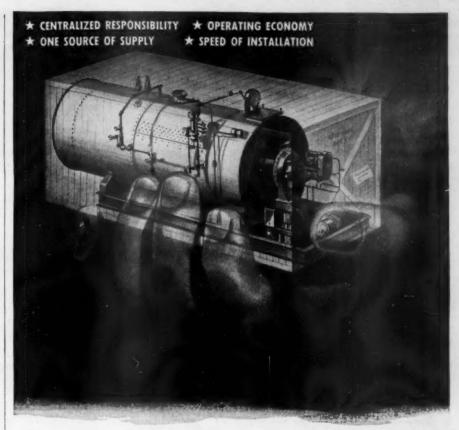
In some places, soap is hard to buy, particularly soap flakes. Grocers blame hoarding. Early this year, the War Foods Administration cut down to 84 per cent of 1940 supplies the amount of fats and oils for soap factory use. In July, another four per cent cut was made.

Stocks of bicycles in the hands of distributors and retailers are running low. OPA has indicated that, when the present supply is exhausted, no more bikes will be available for civilian use for an indefinite period. In recent months, about 5,000 bicycles a month have been manufactured, but every one of them has been requisitioned for military use.

What about private transportation? Will the consumer lose his mobility in

the months ahead?

America has 26,000,000 automobiles, says the Transportation Department of the National Chamber. Half of them are more than seven years old; about 5,000,-000 are 11-and would be junked if new cars were to be had. Figures compiled | Steam Generators



THE MILITARY SERVICES AS WELL AS INDUSTRY RECOGNIZED THE ADVANTAGES OF Factory-Packaged" STEAM GENERATORS

In military bases at home and remote advance bases abroad, Cleaver-Brooks steam generators are delivering the same dependable round-the-clock performance for which they are noted in scores of essential war industries.

Quick steaming capacity - minimum manpower required for operation and maintenance — cleanliness, no smoke, ashes, clinkers — compact, space-saving design — simple, low-cost installation efficiency (saving shipping and storage of fuel) — a complete "package"
 factory-finished and tested in every detail - these advantages of Cleaver-Brooks oil-fired steam generators were quickly recognized by military authorities. Centralized responsibility for de-

pendable manufacture - a single, reliable source of supply and maintenance were added factors that won preference for Cleaver-Brooks steam generators.

Steam generators are only one of several types of equipment being built by Cleaver-Brooks for war-time needs. Mobile water distilling, disinfecting and sterilizing units, portable showerbath units, bituminous heating equipment embody the same efficient principle of oil firing.

The engineering competence and manufacturing skills which have qualified us to serve our government and essential industries today...will be devoted to the building of equally efficient equipment for tomorrow,

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CLEAVER-BROOKS PRODUCTS INCLUDE:











Food Dehydrators

Tank Car Heaters Oil & Asphalt Heaters Special Military Equipment

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every blade the going-over
of its life in 17 inspections.
Result—perfect blades, perfect shaves, always. Fits all
double edge razors.

GIFT BOX OF FIFTY \$5

Fine as a Pears Jowel
If your dealer can't supply you, write
to Department E, Personna Blade Co.,
Inc., 599 Madison Avenue, N. Y. C.

by the salvage division of WPB show that, in the past year, nearly 1,500,000 cars were scrapped. This is well below the pre-war annual average, but is greater than was expected in the face of a nationwide drive for car conservation.

Industry authorities estimate that the number of passenger cars in running order will be down to 23,500,000 by the end of 1944. Essential private transportation, say the experts, calls for a minimum of 20,000,000 cars, assuming a national annual average of 5,200 miles for each car.

So it looks as though our automobiles will be adequate for at least another year, provided they are cared for, and provided they are in the hands of the

people who actually need them. The country's oldest cars are owned by the farmers and the workers who, as a group, do the most driving. When the pinch does come in private transportation, this group will feel it first.

Repair parts running low

AUTOMOBILE repairmen say thousands of cars will be laid up next year because of lack of parts. Until recently, the output of repair parts has been cut to below the rate at which they have been wearing out. Additional steel, however, has now been allotted for this purpose.

To make the cars go 'round, it is barely possible that, before the end of 1944, the ODT will requisition privately owned automobiles in storage (about 1,500,000). Families with two cars may be required

to give up one.

Gasoline for private use will flow less freely in '44. Last year, says the Petroleum Administration for War, military demands absorbed 12.5 per cent of the total gasoline produced east of the Rockies. For 1944, military demands will take 37.6 per cent. Gas rations for non-essential driving may be cut to the point where it will be more practical to walk

than to try to operate a car on an "A". book basis.

"There will be sufficient tires to mee necessary requirements," says On Bradley Dewey, acting Rubber Director, and to keep essential driving and the military on wheels. The spectre of collapse from rubber shortage is gone, he says. "By the end of 1943, there will be 17,000,000 tires available for essential civilian use—and in 1944, a minimum of 30,000,000."

Sizing up the whole situation, some people in Washington assume that, from now on, the consumer will have easy sledding.

"We have finished building all we need of war plants, military camp warehouses, shipyards, special machine and machine tools," they say. "That we release manpower, materials and transportation to replenish civilian supplier."

But we still have the tremendom weapon-production job to do. To we the war, this job must come ahead a everything else, and calls for everything we can give it. We have no materials of manpower to spare.

Steel production, for instance, will be 4,000,000 tons behind requirements for the last quarter of this year.

"Acute labor shortages are found in many places," warns Paul McNutt chairman of the War Manpower Commission. "Plants are actually shutting down in some localities because men are not available to run them. Between now and July, 1944, a minimum of 2,650,000 persons must transfer from less essential jobs to war production or to jobs in services necessary to community health."

The consumer is being looked after but only as a war measure.

"If you can prove that the war effort will suffer because of lack of any particular item of consumer goods," says Donald M. Nelson, "then materials for the manufacture of that item will be provided. But, until victory is attained requests for materials for other than essentials will be denied."

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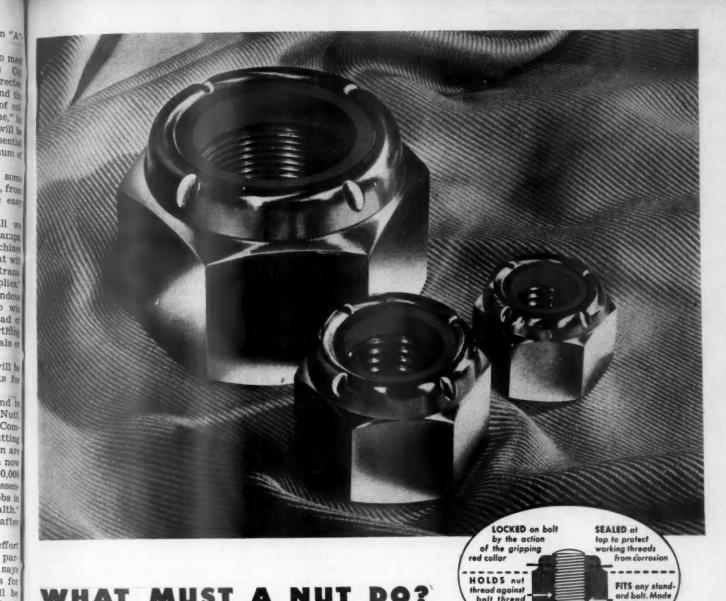
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"It certainly is my husband's signature. Why, I traced it from one of his cancelled checks"



There's only one thing in the world a nut must do.

That is to hold things together -and never let go.

Most nuts shiver loose under vibration.

But not this nut.

ll be ined.

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The reason is the red elastic collar. This collar molds itself snugly to the bolt. It holds the nut and bolt threads tight together. The nut can't jiggle and turn.

So the nut locks fast and stays put - anywhere on the bolt. It can be taken off, and put back on, time and again without losing its locking ability.

This is why there are more Elastic Stop Nuts on war material than all other lock nuts combined.

And of the billions in use, we don't know of one that hasn't done its job better than any other similar fastening.

ELASTIC STOP NUTS

play

Lock fast to make things last



ELASTIC STOP NUT CORPORATION OF AMERICA UNION, NEW JERSEY AND LINCOLN, NEBRASKA



hold burner parts snug





in all sizes and types

NATION'S BUSINESS for October, 1943



Are You Learning to Handle CHEMICALS?

Makers of the chemicals you buy, in nearly every case, use LaBour Centrifugal Pumps in various services. Following the example of those manufacturers is a short-cut to the solution of your own pumping problems.

LaBour Centrifugals grew up with America's relatively young chemical industry. In 1922, LaBour produced the first commercially successful self-priming centrifugal pump. Since then, a program of constant research has equipped LaBour with the skill and experience required to build outstandingly successful pumps for most chemical services.

Ask for your free copy of the latest bulletin on LaBour Pumps for chemical service—or tell us your problem and let us help you solve it.

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LABOUR PUMPS



Diagnosing a Reformer

EDGAR M. QUEENY looks into the background and private life of Thorstein Veblen to discover why he taught his pupils contempt for success and antagonism toward free competition

A KEEN student of men and affairs says that a little research will show how a reformer "gets that way." He has a score of case histories. There is the public official whose passion was to extirpate the stock market, who had been a plunger, and lost his shirt in 1929. Another, who failed with a previously successful venture in connection with farming, blamed the "lack of parity between agriculture and industry." Still another, who advocates governmental operation of insurance companies, once had a bitter and unsuccessful debate with "his" company over the rate of interest it had made on his home mortgage. Then there is the arch foe of the utilities who was once fired for incompetence.

"If you check back far enough," the student says, "you'll find a failure or defeat in private competition, and he's sure it's because of the system. So, to justify his failure, he's hell-bent to change the system."

An outstanding failure of this type was Thorstein Veblen, the philosopher-economist who poured bitterness from his soul into the wells of public thought and whose converts and kindred souls, according to Edgar M. Queeny in "The Spirit of Enterprise," are now planning the future of the nation and the world.

Policies advocated by Veblen in his "The Theory of the Leisure Class" find expression in acts and policies of government's left-wing "planners." Veblen proposed to uproot the American business system and substitute a form of totalitarianism. He inveighed against advertising. He demanded that production for profit be discarded for production for use. He loathed competition. He hated wealth. He proposed to abolish private property.

Invective against business

HIS INVECTIVE against American business men is parroted and paraphrased today in many an official speech, statement and report. He yearned for a revolution and predicted it would come during a depres-

sion. When the Great Day dawned, he warned, business men must be kept out of responsible government positions. He set the pattern for the TNEC "inquisition" of 1938 and 1939, insisting that the revolution must be preceded by an "intensive campaign of inquiry and publicity" against private enterprise.

Mr. Queeny looks behind Veblen's dour teachings to find the man—to find out what made him tick, what strange brew of circumstance produced his intoxication of hatreds. Veblen, he reports, was of humble origin and foreign parentage, and spent his formative years in an environment which was totally strange to the real America.

His earning power low

HE grew to manhood during the lean years of the 1880's and, after studying at Johns Hopkins and Yale, spent seven years trying to find someone who would hire him. His annual salary never was more than \$600 until he was over 40.

He was physically lazy. He shunned adventure. He was slovenly in dress. He asserted that "man's ideal is an unrestrained consumption of goods without work." He sneered at the fondness of men for domestic animals. He refused to enter into games or sports involving competition. He carried his animus against competition even to the point of grading all of his students with a C, whether their work was good or bad. Says Mr. Queeny:

College athletics, he inveighed, were fostered by business men to indoctrinate students with the love of competition. He stated that the habitual employment of umpires and "the minute technical regulations governing the limits and details of permissible frauds" indicated that games tolerated fraudulent practices and "a calloused disregard of the interests of others, individually or collectively."

Veblen contended that even the Y. M. C. A. was a "bourgeois capitalist agency" whose purpose was to "de-

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fend the existing order." Yet he was not above taking a little flyer in "the existing order," by speculating in the stock market. He lost money-and denounced what he termed "capitalistic

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His unfailing poverty was mirrored in his denunciations of those who did not share it. He argued that there were "kept classes," people who lived in leisure, contributing nothing to the pool of consumable goods. Members of these "kept classes," he dinned into the ears of his students, spent their lifetime vying with each other as to the most conspicuous manner of wasting their money.

He reasoned that these kept classes were the absentee owners of enterprise; that the business men were their agents who performed no useful function except to practise sabotage and stop the turning of wheels whenever there was danger of production exceeding that which could be sold at the maximum profit.

Basis of socialism

VEBLEN'S teachings provide the base for American socialism, Mr. Queeny says. His philosophy dominated much of the teaching staff of Columbia University, spread to Harvard and Yale and then to universities throughout the nation. As Thorstein Veblen's converts "indoctrinated" their own students, they discovered a golden opportunity in recent years to put his policies into practise by working from within government.

One result, says Mr. Queeny, is that American youth has heard little but criticism of business and business men.

All of our young people under 28 years of age have passed through adolescence and young manhood and womanhood during a prolonged period of depression, unemployment and scandal. In many cases, Mr. Queeny adds, after completing education and being unable to find employment, they were frustrated in their ambitions. As a class, they do not know what it is to have a free choice of employment. He concludes:

They have been subjected to a constant barrage of innuendo leveled at private enterprise and against continuing that system. They have been told that its world of chicanery, greed and unjust en-richment of the few at the expense of the many is doomed to the past, along with feudalism. It would be a miracle if they would not rejoice at its passing and willingly embrace any new economic faith that held promise of a better life.

Like most of his followers in 1943. Veblen scrupulously avoided saying he was a Socialist. Yet his Socialistic utterances today echo louder than ever from America's classrooms, from the pages of red and pink publications, from high government offices, from the political hustings, from the hearing rooms of Congress, and even from the pulpit. Comments Mr. Queeny:

"As from the Great Beyond Veblen looks at the American scene of 1943, his shade must wear the smile of a Cheshire cat. His pupils learned well!"



When Rosie The Robot" needs a quick Disconnect

With the maid shortage as it is, today's housewife would probably give her right eye for a "Rosie the Robot." There would be no question as to nights out or Thursdays off . . . and when "Rosie" got out of control, it would just be a matter of pulling the plug.

The idea of a quick disconnect for many and varied electrical circuits is by no means confined to future household aids. Some day Cannon Plugs will be used in undreamed of ways to make life more pleasant. But today Cannon Electric is working around the clock to produce the millions of precision connectors needed to win the war.



The Cannon Type "O" Cord Connector is universally used in radio and allied applications. Other types of Cannon Connectors are used in a wide variety of war and peacetime industries including aircraft, shipping, lumber, television and geo-physical research . . . in fact wherever dependable connections are needed.

CANNON ELECTRIC

Cannon Electric Development Co., Los Angeles 31, Calif.



REPRESENTATIVES IN PRINCIPAL CITIES-CONSULT YOUR LOCAL TELEPHONE BOOK





Such a moment demands alert eyes, steel nerves—and a plan of swift action. That's true, too, on production lines, where Hardware Mutuals policy back of the policy provides vital protection against industrial accidents.

The policy back of the policy is a way of doing business that makes your interests our first consideration. Applied to Workmen's Compensation insurance it means a thoroughgoing plan of accident prevention, engineered to cover every individual plant hazard. It means a service constantly alert in creating safe working conditions that help reduce your operating costs and increase production. It means speedy, sympathetic claim settlements.

FREE SAFETY BOOK

A wealth of compact, valuable information is contained in a 24-page illustrated book, "Industrial Safety Procedure"—offered free on request. It provides, in the

briefest possible form, a dependable, practical guide to the latest methods of correcting plant hazards, improving sanitation, and organizing employes for safety. Included is a comprehensive index of works recommended for further study of specific subjects, making it an invaluable source of reference.

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for Workmen's Compensation insurance, be sure to investigate the opportunities for improved service and savings inherent in Hardware Mutuals policy back of the policy.



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Compensation, Automobile and other lines of
CASUALTY AND FIRE INSURANCE

What British Business Thinks

(Continued from page 27) age those factories, and the leaders of labor employed in them, are concerned about the possibility of mass unemployment after the war. Their problems, in many respects, parallel our own.

I argued at every opportunity that the best way to avoid unemployment in the United Kingdom, in America and throughout the world is to work in unison for an expanding economy, which stimulates production and creates jobs. And I found agreement on all sides that without friendly and effective teamwork between us, there can be small hope of an orderly postwar world.

That is why, in my opinion, it is of greatest importance that our viewpoints and our interests be reconciled now. Business men of the United Kingdom and the United States should work together and solve their mutual problems now, or risk having their governments undertake the job for them.

One method of practical cooperation would be a marriage of British assets with American capital after the war. The British have assets throughout the world which need expansion and development, especially in the economically backward countries. Together we can help these countries build industry and raise their standards of living, creating new markets for all and contributing to the economic well-being of the world.

the economic well-being of the world. I proposed that delegations representing business in Great Britain and the United States be encouraged to meet, exchange views and purpose specific measures for postwar cooperation. Representatives of labor and agriculture in both countries should be invited to participate.

Today the United States and Great Britain are held firmly together by the tensions of war. Our armed forces work as a single team. Business men of the two countries can work together with equal effectiveness to assure economic stability of the world when the war is won.

The time to start working is now.

Smokes: from Bottles

UP until recently, most of the 3,000 third-shift workers at the Bell Aircraft Corporation's Elmwood Avenue plant in Buffalo merely set their empty milk bottles to one side and never thought of getting them back to the dairy for the refund of a cent a bottle. Now they are cashing in on them—and providing cigarettes, cigars and tobacco for men in the services.

In the first month, says George E. Foreman, superintendent of the third shift, 10,000 bottles were collected in the plant which netted \$100 for the local Smokes-for-Soldiers Fund sponsored by the Buffalo Evening News.

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How Canada Controls Prices

(Continued from page 34)

this first phase, covering more than two years, Canadian price controls were administered by a staff of 150 persons, including seven serving without remuneration and 14 lent from other agencies of the Dominion Government. But during the same period, our own OPA had grown to a vast bureaucracy of more than 50,000 paid employees, in addition to 50,000 volunteer workers in the local boards.

"The Board tried during the first two years to implement its policies with a minimum of direct government control of trade," says the official Canadian

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But, as the pressures of all-out war increased, the area of controls necessarily expanded gradually. Rent controls had been established in September, 1940. In August, 1941, price controls were expanded from "the necessities of life" to all goods and services. At the same time, controls were established over all forms of consumer credit. During the first two years of the war, Canadian cost-of-living index rose 15 per cent. But, under the expanded program, this index advanced only 2.7 per cent during the next two

Single-headed control of the major much to the success of the Canadian

program. At the fall of France, for example, there were 34 British coal ships in French waters. Through hasty telephone negotiations between Ottawa and London, these ships were routed immediately to Canada. They delivered 220,000 tons of coal valued at almost \$1,000,000 -an average two weeks' supply for all of Canada. But this was not accomplished by a series of memoranda, forms, estimates, approvals, allocations and counter-signatures. It was accomplished by the business-like operation of a small compact body of competent administrators vested with authority to act.

From the outset Canada has administered her price program by this general

method, seeking always to maintain supply rather than to hold price regardless of the supply-demand equation. For this purpose strong administrative sections were established for wool, hides, fats and oils, flour and mill feeds, sugar, and coal. In each commodity the administrative arrangement and authority are similar to those established in the United States in August, 1942, for the reorganization of our rubber program.

But the work of all the commodity sections was closely coordinated through the WPTB. Further coordination was established through interlocking membership with the Wartime Industries Control Board (our WPB) and the Department of Munitions and Supply (our Joint Munitions Board). By these arrangements, every factor in the national supply-demand equation fell within the direct purview of the price control authority.

Under the reorganization of 1941, administration of price controls was transferred from the Minister of Labor to the Minister of Finance. This move further integrated all wartime economic direction, by bringing prices within the province of the budget and taxing authority. Thus, at any given moment, Canada could strike a balance quickly, in terms of fiscal policy, budget, wages, prices, and production schedules. Things were not everlastingly going off at tangents.

Since his appointment to the Chairmanship of WPTB in November, 1941, Donald Gordon, Deputy Governor of the Bank of Canada, has centered his energies, not on administrative methods and forms, but upon a one-man educational crusade against inflation. This crusade he has carried the length and breadth of the Dominion.

"Of what use is it to labor, to agriculture, to the shopkeeper, or any person, to obtain more money if the purchasing value of money melts faster than the additional amount received?" commodity sections has contributed he asks. "What will the wage earner gain if his wages double, but the purchase

> THE losing race between wages and rising prices has occurred in every war period in history and in every inflation the story has been the same. Each time, many have hoped that they might be the lucky exceptions to benefit from the general disaster; but few indeed have done so.

> > Donald Gordon, WPTB Chairman

prices of his food, his clothing, his rent -everything-trebles or quadruples? What will the farmer gain if he barters his products for more and more paper. and then finds that the paper purchases less and less of the things the farmer himself wants to consume?"

It's not a classroom. There are no threats, no shaking of fists in the faces of farmers, workers and business men harassed by inevitable dislocations of war. But there is a large, rotund, wholesome, energetic leader before the people -confident, determined, full of faith in the mass judgment of a community soundly and honestly informed.

"Remember," he continues, "I am not

In a Plant of a Thousand Employees-**Adequate Washing Facilities Can**

SAVE 3000 HOURS PER MONTH

 Bradley Washfountains reduce waiting-in-line time. Just two minutes saved three times a day in a plant of a thousand employees recovers 3000 wasted hours per month.



A touch of the foot to the automatic control ring at the base of the Bradley produces a spray of clean running water instantly.... And any number of persons up to 9 or 10 can wash simultaneously with no waiting to drain off used water and refill. Each person has fresh water immediately-while the self-flushing deep precast stone bowl prevents collection of contaminating water.

Bradleys save space and require 80 per cent fewer piping connections. One multiperson Washfountain requires only 3 piping connections compared to 24 for eight conventional "single person" wash basins. Proper washing (a first essential in Dermatitis prevention) is encouraged.

New Catalog 4308 contains complete data. BRADLEY WASHFOUNTAIN CO., 2205 W. Michigan St., Milwaukee 1, Wis.





Just off the press -Cat. No. 4308.





when the name is Southern Com-Plenty—when the name is Southern Comfort! Ask for and be sure you get genuine Southern Comfort, the grand old Drink of the South. Flavor-rich, full-bodied, may be served as liquor or liqueur... as an excellent base for long or short mixed drinks. Measured discreetly, it can also be served straight.

FULL 100 PROOF Plenty-

FULL 100 PROOF Combining the robust body of mellow whiskey, the smooth ness of rare brandy Try making your fa-vorite Old Fashioned, Manhattan or Hi-Ball with Southern Com-fort. You will be pleasantly surprised. Better Bars, Hotels and Package Stores

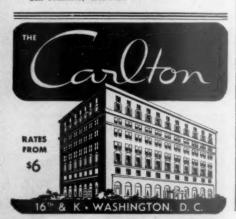
PACIFIC GAS AND ELECTRIC CO. DIVIDEND NOTICE

Common Stock Dividend No. 111

A cash dividend declared by the Board of Directors on September 15, 1943, for the quarter ending September 30, 1943, equal to 2% of its par value, will be paid upon the Common Capital Stock of this Company by check on October 15, 1943, to shareholders of record at 12:00 o'clock noon, Pacific War Timé, on September 30, 1943. The Transfer Books will not be closed.

E. J. BECKETT, Treasurer on Francisco California

San Francisco, California



giving you a theoretical exposition of what might happen! The losing race between wages and rising prices has occurred in every war period in history, and in every inflation the story has been the same. Each time, many have hoped that they might be the lucky exceptions to benefit from the general disaster; but few indeed have done so. The whole crazy course of inflation has been demonstrated again and again. Surely we are going to learn, some time, the tragic futility of it. . . . The problem is to convince people that if every class takes advantage of its improved bargaining position in wartime, it can only end in disaster to all.'

In no small degree, some fundamental difficulties in the Canadian stabilization effort today flow from mere proximity to the United States. With industrial wages still moving upward on our side of the border, organized labor in Canada is restive, steadily less inclined to go along with wage stabilization by consent. And as our commodity prices continue to advance in the face of relative stability in Canadian prices, the Dominion encounters new and unanticipated difficulties in maintaining her dollar exchange position.

No one in Canada, of course, would utter the thought that the fight against inflation there might be more effective had the United States made a better job of her own controls. Yet, on every hand, one encounters evidence of the question, "If the United States can carry on without wage controls, why must we tolerate them?" In lesser degree, the same applies to agricultural commodities. In these directions, we probably could make Canada's price control job a lot easier without making our own any

During the past year there has been a considerable penetration of Canadian industry by a new labor organization patterned closely after our own CIO. This infiltration, particularly in some of the new war industries, has to some extent removed labor leadership from the hands of the long-established Canadian organizations, all of which previously had been committed to the Government's wage stabilization policy.

Labor leadership

YET official Canada is far too respectful of the United States' war effort even to hint that our U.S. exports of labor leadership have not been entirely a boon. But as a measure to retain labor leadership in Canadian hands, the Dominion Government has redelegated wartime labor and wage administration back to the several provinces. By this step labor leadership is limited largely to those who have a voting stake in the country.

A series of four government corporations, which operate on both the buying and selling side of the open markets, supplement WPTB price controls. The Commodity Price Stabilization Corporation offers to buy entire production at a guaranteed price for the season-a price high enough to call out the needed supplies. But it moves these goods into distribution within the range of the pre-

viously determined wholesale and retail ceilings. There are often losses in these transactions. They are covered by the Government-subsidies. But these are subsidies on production, not on distribution. Over a period of two years, these operations have cost Canada \$2,111,282 plus about \$500,000 in administrative expenses of the corporation.

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Import subsidies

NEXT the Wartime Food Corporation operates in the same way in the field of imported foods, absorbing for the most part the difference between U.S. import prices and the Canadian stabilization ceilings. These import subsidies cost for the first two years \$831,497, plus \$26,101 in administrative expenses

The Canadian Wool Board buys domestic wools at a price considerably above the normal world price, and sells at the war ceiling-saving ocean shipping space by encouraging expansion of the domestic clip. Its operations cost \$171,569 the first year.

A fourth corporation, Wartime Salvage, Ltd., buys and sells anything needed to sustain the war effort or to hold down the cost-of-living index. In a manner of speaking, it is a government-operated junk man, on a ten-ton-truck scale. Its operations and administration have cost \$522,000.

Canadian subsidy operations began at different times in various commodities, but the program for the first 18 months cost roundly \$65,000,000, about evenly divided between imported and domestic production items. All of these operations constantly have been under the direction of the WPTB, with buying and selling in every commodity closely integrated from day to day with the price-control program.

This intensive integration of the several facets of price control is the conspicuous feature of the Dominion program, as contrasted with our loosely knit U. S. arrangements as carried on by WPB, CCC, OPA, WFA, OLLA, OEW, OES and OWM.

Obviously, our recently established Office of War Mobilization is moving in the direction of this same high degree of coordination and unification of program. The Canadian experience surely encourages that undertaking.

Looking back four years, we see clearly how our U.S. controls developed layer upon layer, as global war unfolded. In a recent article published in the less austere tempo of a Broadway guest-columnist, Leon Henderson delineated the rather haphazard development of our war management program.

"I almost missed the big fun," he wrote. "In 1938 I went to Johns Hopkins to get a crick out of my back. I had been with WPA as a consulting economist. I was all hired for a good-paying private job. Harry Hopkins was convalescing in Florida. So was I. He asked me if I could delay going to my new job long enough to work on arguments for resumption of the spending program.

"A few weeks later, the New Deal abandoned budget balancing and took up again the governmental employment of the unemployed. This work had led to TNEC, SEC, NDAC, SPAB, OPM, WPB, OES, and of course to OPACS and OPA. If I had not been in Florida—or if I had gone to my new work as scheduled—I am convinced that Hopkins and I would never have had the conversation which kept me in government... And it was fun all the time."

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At this juncture we have been almost a year in giving form and substance to the various alphabetical endeavors conceived and established with such disarming nonchalance. Canada, on the other hand, launched her wartime economic controls in a less audacious mood. Her more businesslike approach already has yielded splendid national dividends. True, there still are many difficult pressures and dislocations. But Canada's Donald Gordon insists that good will, cooperation and understanding will make them all tolerable for the duration.

"The price ceiling may mean hardship," he has warned, "but inflation would mean ruin."

On that basis, it appears to me, Canada will see it through.



Jig Designer

Lynn Neil, shown here, works at Paraffine Companies, Inc., California, where she fastens nose supports for shells into ammunition boxes being turned out for the Navy.

After whacking her fingers a couple of times, Miss Neil got busy and devised a special jig which clamps down on the support and holds it in place for hammering. The jig is now used throughout the department—and the other girls, who do work similar to Miss Neil's, are grateful for her industrial ingenuity.

Here's a New One

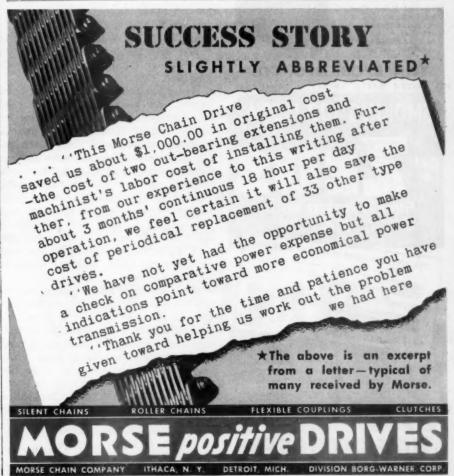
New policies to meet new needs — that's a Prudential fundamental.

Our new low-cost temporary income policy ties in with Social Security — gives the widow a guaranteed income until her government pension starts at age 65.

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business merits.

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16-10F Frame brief bagfor heavy duty. Will accommodate bulky articles, wide frame opening allows easy access to contents.

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Anne Shofner not only runs an iron and steel works but somehow finds time to bake beans for the men on the night shift

Feminine Touch in Steel

A STRANGELY appetizing smell is mixed with the odor of hot metal at the Shofner Iron and Steel works in Portland, Ore.

Mrs. Anne J. Shofner, the dark-eyed owner and manager, who feels as much at home in an atmosphere of smoke, molten metal and flying sparks as most women do in their kitchens, has been cooking beans (the Boston baked variety) along with the cores for ship castings in her big core oven. There they sit, fat earthenware pots, among the cores for housing and sheaves, as homely and friendly a sight as ever came out of a cottage. And tasty, too, according to the men on the night shift, who eat them at midnight lunch.

Mrs. Shofner knew beans before she knew steel. Her husband operated a small foundry in Rainier, Ore. Although it was a second-hand knowledge, she knew his customers and had prices at her finger tips. After his death, rather than give up the business entirely, she moved to Portland and built the Shofner Brakeshoe foundry, which she sold in 1937, when it had developed into a thriving business.

Seeking a bit of leisure after a good many years in an iron foundry, Mrs. Shofner toured Europe. There she discovered a curious thing about herself. Instead of haunting art galleries, theatres and cafes, as she had planned, she kept gravitating to the big metal works—the steel works in Switzerland, the big nail plant in Budapest and the 16 acres in Milan where Italy's munitions and armor plate are made.

The sight of those works cured Mrs. Shofner's desire for leisure. The first thing she saw, when she went through the gates in Milan was a mountain of bombs. Her heart skipped a beat.

"Surely that's not just for practice," she said to herself.

In the Krupp works, it was the same thing. All the time her high heels were pattering along behind her German guide, the words kept ringing in her ears.

"There's a war, and I'm going home just as fast as I can get there. I'm going to start another plant and this time, it's going to be a steel works."

Grading began in July, 1941, on the new Shofner Iron & Steel works, after Mrs. Shofner had finished extension courses in metallurgy at the University of California. Her plant was just a little building at first, but to Mrs. Shofner, it looked tremendous.

"Anne," she told herself, standing

in front of her miniature Krupp works, "this time you really have made a fool of yourself."

A few days later she began to feel better.

As word got around that Mrs. Shofner was starting another foundry, the men who had worked for her before began coming back—the old crew of experienced steel hands from Rainier who had followed her up to Portland when she first started out for herself and the men who had worked for her at the Shofner Brakeshoe foundry.

It was a photo finish between her first pouring and the war. First heat was poured December 14, just a week after Pearl Harbor.

Since then, Mrs. Shofner has doubled the size of her present plant and has installed a furnace four times the size of her old one.

But she still cooks beans for the boys on the night shift in the slow steady heat of her core oven.

Upstairs, next to a thoroughly masculine office with ponderous tables, swivel chairs, spittoons and filing cabinets, is a flippantly feminine kitchenette with ruffled curtains over the cupboards; with shiny pots and pans and flowered china ware.

Mrs. Shofner makes herself a midnight snack there when she's working late at the plant. —JEAN MUIR



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To Boot the Axis

Helen Smith helps produce for the U.S. Army this new type of mountain-top shoe, equipped with a specially designed rubber heel and sole, for use with skis or for walking on steep, hard and slippery surfaces.

This shoe was adopted from a design worked out by Swiss mountain guides, according to Harry Post, manager of Goodyear's shoe products department. Heel and sole are made by the Windsor Manufacturing Company, Windsor, Vt., a subsidiary of Goodyear.



LET US MAKE ONE for You

Examine your war production job from the standpoint of special hand tools required to do it faster, better. Could a made-to-order tool increase your production—or make for more efficient handling of certain operations that occur over and over? If so, consult us about your problem. We have solved many-a-one for important concerns all over the country.

Fine Plomb quality throughout

In design, material, and workmanship your special tool will be of the same high quality that has made regular Plomb tools famous throughout all industry. The same engineers will supervise every detail. The same methods will be used in manufacture.

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The Plomb dealer in your neighborhood carries stock Plomb tools in all kinds and sizes, for all industries. See him for regular tool needs—consult us about special ones.



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NOW is the time to plan low-cost, efficient output for your postwar product. For planned production can give you the efficient cost-cutting tool you will need. With both Lamson Dispatch Tubes and Lamson Conveyors at work in your plant, management, materials, men and machines all move efficiently and economically towards a planned result.

Lamson Tubes furnish instant, unerring communication to every part of the plant—important papers, time tickets, blueprints, samples, inspection reports, small tools are made available the minute they are needed. Lamson Conveyors keep materials moving with a minimum of handling and floor-space.



SEND FOR NEW BOOKLET How to increase output and cut unit costs with this system of planned production is told in our new booklet called, "Coordinated Control." Be sure to send for a free copy.

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450-500 Lamson St., Syracuse 1, N. Y.
Makers of CONVEYORS
and PNEUMATIC DISPATCH TUBES

Washington War Survey

From the Records of the U. S. Chamber's

War Service Division

Production-Munitions output, including ships, planes, tanks, ordnance, quartermaster and miscellaneous items, increased three per cent in July over June, 1943, says WPB Chairman • Army Ordnance Chief reports production during past year of more than 1,500,000 tons of bombs and 200,000,000 rounds artillery ammunition in 55 government munitions plants operated by private industry . July machine tool shipments decreased approximately 10.4 per cent in value from June total • WPB reports increase in magnesium castings production from 1,564,000 pounds per month in November, 1941, to 4,665,000 pounds per month in spring of 1943 • Production of broad woven cotton, rayon and wool fabrics totaled 6,755,000 linear yards during first six months of 1943, reports WPB Textile, Clothing and Leather Division, a one and one-half per cent decrease compared to a year ago.

Utilizing Small Plants—Smaller War Plants Corporation and United States Maritime Commission announce joint program for utilizing smaller plants in production of articles, equipment, supplies and material needed in construction of vessels.

Women in War Work—Secretary of Labor reports women constituted more than four-fifths of net addition of 1,833,-000 to factory forces from April, 1942 to June, 1943; total number of women in factories in June, 1943, 4,250,000 or 30 per cent of all factory workers.

Small Business Wage Formula—National War Labor Board amends regulations, giving small business firms having 30 or fewer employees simplified meritincrease formula, eliminating technical job classification schedule requirements, but retaining general controls of national wage and salary stabilization program.

Gasoline for Military Consumption— Petroleum Administration for War reports nearly one of every three gallons of gasoline produced East of Rocky Mountains during last half of 1943 destined for ultimate consumption by Armed Services.

War Department—War Department announces establishment of redistribution center for reassignment of air force personnel returning from theaters of operation • Service pilots and glider pilots of Army Air Force now eligible to command flying units, says War Department • More than 100,000 soldiers now studying at universities and colleges under Army Specialized Training Program, announces War Department; 150,000 soldier students is goal • Chief of Army Ordnance reports turning over to private industries management of five ordnance depots • Commanding General, Army Air Forces, officially designates Women Army Air Force pilots as "WASPS."

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Navy Developments—Combined strength of Navy, Marine Corps and Coast Guard enlisted personnel as of July 31, 1943, estimated at 2,038,000; expected increase by December 31 of 586,000 • Navy announces plans to increase Chaplains' Corps within next 18 months to meet needs of expanding forces • Navy accepts first woman officer in Civil Engineer Corps.

International Relations—Combined Chiefs of Staff appoint first international Combined Shipbuilding Committee, with representatives of United States, United Kingdom and Canada, to expedite program of better wartime design, construction and use of combat and cargo vessels . President and Canadian Prime Minister announce creation of Joint War Aid Committee, United States-Canada, to study United States Lend-Lease and Canadian Mutual Air program problems and make recommendations to proper authorities • President's 11th Report to Congress on Lend-Lease Operations shows lend-lease aidgoods transferred and services rendered -totaled \$13,973,339,000 in period from March 11, 1941 to July 31, 1943 • State Department announces signing of reciprocal trade agreement with Iceland, designed to facilitate present trade relations and provide for expanded post-war trade.

Transportation Facilities—Office of Defense Transportation Director announces new program for utilization of motor transportation facilities in moving meat supplies during fall and winter; establishes advisory committees in 142 ODT districts • Program for adding 1,500 steel troop transport railroad cars to nation's rolling stock, to expedite movement of military personnel and relieve burden on rail facilities, announced by ODT.

—E. L. BACHER

* * *

How Much Should Industry Earn?

(Continued from page 30)
facts for answers to such questions as
these:

What was the company's pre-war profit record?

Did the company use its own facilities in producing war work?

What is the quality of its workmanship?

Does it have efficient, low-cost production methods?

What have been its design and engineering contributions to other prime and sub-contractors?

How much is its investment?

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How much capital has been at risk? What was the hazard in doing the job?

What is the over-all performance for the earnings obtained?

What is the accounting period for which earnings are figured?

What will its position be when the war ends?

No two concerns alike

THESE tests go back to the original proposition that no two business concerns are alike. An automobile company which has had to scrap practically its entire plant in turning from manufacture of motor vehicles to anti-aircraft guns is going to be worse off when peace comes than a textile company, for instance, which goes right ahead using its same equipment, making uniforms instead of civilian clothing. A heavy industry, demand for whose products fluctuates all the way up and down the scale, must make money in the fat years to carry it through the lean ones, while an electric utility may not have that worry because the demand for its product is fairly stable. Again, a sum which shows on a 1942 annual report as a profit may turn out, years later, to have been a loss, after renegotiation and other unpredictable charges are written off.

About half of the manufacturing corporations of the United States make no net income at all—which proves that it isn't the "profit system," but the "profit and loss" system.

A reduction in the average rate of profit must increase the number of companies operating at a loss, and the number that fail.

The effect presumably would be to bring about greater concentration of business in the hands of large corporations, and decrease employment because formation of new enterprises would be discouraged.

The purpose of this article is to present, as simply as may be, a few of the most elementary factors which the public needs to keep in mind during the stormy days that lie ahead for "war profits." Some of the more vociferous critics of American business men would do well to look twice before leaping to conclusions in smoking room debates.



The applicants are learning now winning two wars at once!

It's tough enough to win one war at a time—to lick your share of Jerries or Japs—and come home. But thousands of Yanks are doing more... winning, at the same time, the war inside themselves...

They are determined to be more than "just boys who went along." Of course war calls for killing. They're learning that skill, and for our sakes here at home they're using it superlatively. But those who are winning their second war are looking beyond the killing to the opportunities their service offers. We've attempted to show, in the classified page of the future above, a few of the thousands of opportunities the future will hold. For men who were determined to make the most of their service. Men who will have won their second war while they fought the first.

4 4 4

Many a boy will be lifted from an ordinary life to become a leader of men, a leader in science or transportation or business, thanks to a war-learned skill. Perhaps your boy.

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By MEL ARNOLD



VITAL war timber is coming from a vast burned-over lunch-time, and Roughhouse, working in the rigarea once given up as lost ging on the tall spar-tree,

WHEN the advancing flames trapped Roughhouse Dixon in his forest foxhole, everybody gave him up for lost.

When the same fire blitzed its way through 400 square miles of America's finest softwood forests nine years ago, the public largely gave this precious storehouse of timber up for lost.

But today the biggest single logging operation of the war is tearing a dozen trainloads of timber every working day from this fire-charred empire. The timber is being speedily transformed into plywood airplanes and into war-time factories, shipyards, ammunition boxes, hangars and barracks. The lumber is "seeing action" everywhere from Pacific islands to America's north Atlantic outposts.

And Roughhouse Dixon is right on the job, helping the "hoot-owl shift" step up the daily production of logs in the vast, black Tillamook Burn of western Oregon. The whistle on the chuffing donkey engine signaled lunch-time, and Roughhouse, working in the rigging on the tall spar-tree, rode to the ground as one of the cables was lowered. He ripped open the paper lunch sack which the cookhouse provided all loggers and, between munches on sandwiches, sketched the swiftchanging developments:

"Was I lucky I had those two five-gallon water pumps! My two buddies and I just crawled under the

donkey engine. When the fire burned up the engine, we ducked into a little mud hole just big enough for the three of us. It was like being in a furnace, but I kept spraying enough water on us to keep from being roasted alive. Next morning, we waded through the ashes, soaked off the mud and went to fighting the fire.

"Yep, it kept on going for nearly a month, and burned over 250,000 acres. When it stopped, they figured 10,000,000,000 board feet of timber was inside the limits of the burn. That's as much timber as the whole country used in that year.

"The public pretty well chalked it

off as lost. But the public doesn't realize that a forest fire doesn't burn up the growing trees. It kills them by burning the 'crowns', but leaves the charred trunks standing.

"Even the experts figured on maybe a 25 per cent salvage. But the way things are turning out, it will be between 40 and 50 per cent!"

I whistled. A 40 per cent salvage would mean the recovery of 4,000,000,000 board feet of timber (a board foot is a plank one-inch thick and 12-inches square). With logs valued at an average of \$20 per 1,000 board feet, this adds up to an \$80,000,000 program. I later checked Roughhouse



and often measure 12 feet across

110

NATION'S BUSINESS for October, 1943

Dixon's figures with Lloyd Crosby, manager of the Consolidated Timber Company, a combine set up by large timber interests to log about half the Burn. He confirmed the estimates, and added that the present war-time scale of production can be maintained for at least another three years before the timber supply in the Burn is exhausted.

Even more important than the dollar value of the salvage is the fact that the Tillamook Burn is producing vital war goods that otherwise would be difficult to obtain.

Crosby, a 40-year veteran in the timber industry, and formerly chief engineer of the Weyerhaeuser interests, explained:

"A big share of the special timbers produced by the Northwest's lumber industry for the war program comes from the Tillamook Burn. Out of the Burn we get a lot of 'long stuff'-timbers standing as high as 12-story buildings-which are used as keels for sub-chasers and as spars for fighting ships and freighters.

"Our best big logs go to the plywood mills. They end up in the form of airplanes, gliders, or portable barrackswhich have been sent to fighting fronts

all over the globe.

"The Government has reserved for its own uses all the Noble fir found in the Burn. This tree, the finest of the true firs, is being used for the first time as an aircraft wood."

The typical mature tree of the Tillamook Burn is so huge that even though rot and wood-boring insects have ruined most of the sapwood, the remaining heartwood will yield big, sound timbers. Average mature trees in the Burn are 150 to 250 years old, are ten to 12 feet around at the base, and rear 150 to 200 feet into the sky. Much of the timber is close-grained. The annual growth rings on the stump of one 614-year-old veteran showed that the tree had taken 150 years to put on its final three inches of radius.

Fortunately for the war effort, the first cycle of deterioration of timber in the Burn has ended. Boring insects (called "shingle weavers") and rot have done their worst.

The ash-strewn ground is reseeding slowly. At the present rate of natural reforestation, a century must elapse before the next crop of trees is ready for the axe.

Credit the "gyppos"

MUCH of the credit for the impressive war-time salvage record in the Burn must go to one of the West's most unusual groups of business men-the 'gyppos." They get their name from scalawags of the early West who contracted to provide "550 Chinamen" for building a railroad or "225 Swedes" for heavy logging. It was generally assumed that the labor contractor gypped both the employer and the hired hand in every deal-hence the name.

But when a man in the Western woods today tells you, "I'm the gyppo here," he says it with a bit of a swagger. The modern gyppos as a class are respected, substantial business men. Each gyppo has 50 to 75 men working for him, and owns (or is buying "on time") equipment costing \$50,000 to \$100,000.

Many a city business man with \$100,-000 of capital facilities feels entitled to a mahogany desk and a blond secretary. The Tillamook Burn gyppo, however, has no such pretensions. He has to take on the toughest jobs in the woods, and work the longest hours to make his average net income of \$6,000 to \$10,000 a vear.

To meet Gyppo Clarence Vander Jack I had to wait while he trudged up the hot road with a wooden case of dynamite on his bare, sun-bronzed shoulder. Too busy for conversation during working hours, he was polite but brisk, and in a few minutes was on his way with the heavy box for his crew. Gyppo Harry Smith, operating in another part of the Burn, came puffing up a steep hill after helping his men dislodge a log which had snagged against a stump while being dragged by a cable.

The stepped-up war-time logging program is providing, as a by-product, invaluable protection against future fires. Key factor in any forest protection program is a network of roads-on which trucks, tankers, and crews can speed to action. Formerly, the Tillamook forest area had few roads. But now every one of the 35 gyppos has to build roads continuously to reach the timber and to get it out.

As a result, hundreds of miles of smoothly-graveled thoroughfares are being extended into every corner of the fire-blitzed empire. During the century that awaits the harvesting of Tillamook's next harvest of trees, these roads will help insure America against repetition of the original disaster.



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"I'm anxious to see my old boss while he's still a private"



alert business and industry will begin putting postwar plans into actual operation. But the

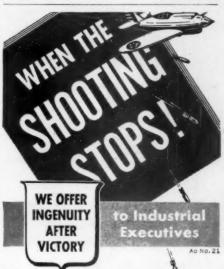
time to start the planning is now and the Missouri Pacific Lines can help.

Our industrial engineers and research experts are studying future transportation needs and problems in the Central West, South and Southwest served by this railroad. They are compiling at the same time information about industrial resources and advantages—tested and proven in war production—which will be interesting and valuable to postwar planners.

Newer and richer opportunities will be open to business and industry in Missouri Pacific territory after the war. We'll be glad to furnish facts and figures about them now, or make a special survey for you if desired. For prompt attention, write or wire

J. G. CARLISLE Director Industrial Development 1710 Missouri Pacific Blda St. Louis (3), Mo.





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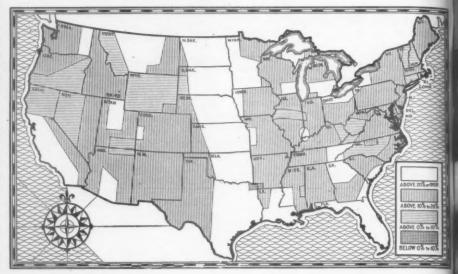
MISSOURI KANSAS ARKANSAS **TENNESSEE** OKLAHOMA . **MISSISSIPPI** TEXAS ALABAMA **FLORIDA**



The Map of the

Nation's Business

By FRANK GREENE



NDUSTRIAL production continued upward to a new high level in August. Aircraft reached a top production of 7,700 planes, while shipyards operating at near-peak capacity turned out 164 cargo vessels.

Bituminous coal output held steady and new orders for steel continued to press mills, which attained a record output of 1,732,500 tons in the final week of the month.

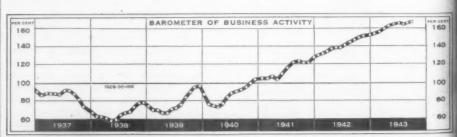
Great Lakes iron ore movement was highest on record and freight carloadings were largest since last October. With one exception, electricity output scored successive weekly peaks through the month. Crude oil production increased slightly but gasoline shortage in the East became acute. Textile mill activity continued to slacken and lumber output remained under last year. Civil engineering construction fell drastically below 1942.

Stock markets were dull with share

The Map continues to reflect the high level not only of employment and pay rolls but also of agricultural income



values showing little recovery from end-of-July break. Wholesale commodities steadied at around the lowest level since February. Distributive trade was spotty with year-to-year gains narrowed from recent months.



With munitions output rising steadily and war expenditures at close to A GREAT RAILROAD record volume, the Barometer advanced to a new high record in August